

**PHA Name:** Housing Authority Of The County Of Santa Cruz

**PHA Code :** CA072

**MTW Supplement for PHA Fiscal Year Beginning:** (MM/DD/YYYY): 7/1/2024

**PHA Program Type:** Combined

**MTW Cohort Number:** Asset Building

**MTW Supplement Submission Type:** Annual Submission

**B. MTW Supplement Narrative.**

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) 2024 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC ~~looks forward to working with~~ has worked this past year with HUD and the evaluation team to develop and implement ~~asset building activities and to better understand perspectives and experiences of assisted households participating in~~ the "Opt-Out Savings Account" initiative. ~~through the program evaluation process. Additionally,~~ HACSC has also ~~will~~ actively participated in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building.

This supplement identifies the MTW waivers and activities that HACSC ~~will~~ has ~~implemented and hopes to implement~~ to achieve the three MTW statutory objectives which are outlined in more detail below in the sections of Economic Mobility, Cost Effectiveness, and Housing Choice.

Economic Mobility: Implementation of the Opt-Out Savings Account initiative ~~will be the~~ is the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. In the first year, the HACSC partnered with a financial capabilities service organization which will provide individual financial coaching sessions to Opt-Out Savings Program participants. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 360 days. HACSC anticipates these initiatives will reduce or eliminate regressive aspects of the program and will encourage assisted households to seek employment opportunities, increased wages, and build assets.

Cost Effectiveness: HACSC ~~will~~ is leveraging ~~MTW~~ MTW authority ~~to and has~~ implemented a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers ~~will~~ are ~~enabling~~ enabling HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants ~~will~~ benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC ~~experience and expertise to conduct~~ conducting certain HQS functions and PBV processes in which third-party assistance ~~is~~ was ~~previously~~ required ~~will~~ has ~~eliminated~~ administrative time spent coordinating contractors, and support tenants to secure housing. Administrative time savings have allowed HACSC to provide additional resources to our families through the addition of a new Resident Services Coordinator.

Housing Choice: HACSC's approach to improving housing choice includes providing housing stability to program participants that are already housed through waivers such as alternative income inclusions / exclusions, alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing ~~will be~~ is being achieved ~~by~~ increasing ~~through our increase to~~ the PBV program cap and PBV project cap. The ability to expand the PBV program ~~will~~ is ~~already~~ providing new housing opportunities to program participants and ~~will~~ supporting the development of hundreds of new affordable housing units within our community. Additionally, housing choice will be expanded through implementation of an Agency Specific Waiver to adopt an alternative reasonable cost formula to include Hard Construction Cost (HCD) and Total Development Cost (TDC) for development and construction activities under the local non-traditional activities, and through a Safe Harbor Waiver to 17.c. Total Development Cost.

HACSC is excited to ~~have the opportunity to be~~ participating ~~te~~ in the Asset Building Cohort and ~~to~~ implementing MTW waivers that ~~will~~ achieve HUD's statutory objectives. These activities align with the ~~agency~~ HACSC mission and our long-term vision for MTW.

Under the MTW Operations Notice, the Housing Authority of the County of Santa Cruz is authorized to flexibly and interchangeably utilize Public Housing Operating Fund, Capital Fund Program and certain Housing Assistance Payments funds for any purpose authorized under Sections 8 and 9 of the US Housing Act of 1937 and for local, non-traditional activities. The agency may utilize this flexibility over the fiscal year to support activities described in the Annual Plan in accordance with the requirements of the Operations Notice. HACSC intends, per Federal Register Notice FR-6284-N-01, to extend the term of FUP-Youth and FYI voucher assistance for up to an additional 24 months for youth participating in the HACSC Family Self-Sufficiency (FSS) program or who otherwise meet the criteria for extension as stipulated in FR-6284-N-01.

**C. The policies that the MTW agency is using or has used (not currently implemented, currently implementing, plan to implement in the submission year, plan to discontinue, previously discontinued).**

<b>1. Tenant Rent Policies</b>	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
<b>2. Payment Standards and Rent Reasonableness</b>	
b. Payment Standards- Fair Market Rents (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
<b>3. Reexaminations</b>	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
<b>4. Landlord Leasing Incentives</b>	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented

<b>6. Short-Term Assistance</b>	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
<b>7. Term-Limited Assistance</b>	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
Increase Elderly Age (PH & HCV)	Not Currently Implemented
<b>9. Project-Based Voucher Program Flexibilities</b>	
a. Increase PBV Program Cap (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
b. Increase PBV Project Cap (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
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)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
a.PH Waive Operating a Required FSS Program (PH)	Not Currently Implemented
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b.PH Alternative Structure for Establishing Program Coordinating Committee (PH)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d.PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
<b>11. MTW Self-Sufficiency Program</b>	
a.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
<b>12. Work Requirement</b>	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented

<b>14. Moving on Policy</b>	
a. Waive Initial HQS Inspection Requirement (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>
<b>15. Acquisition without Prior HUD Approval (PH)</b>	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
<b>17. Local, Non-Traditional Activities</b>	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	<del>Plan to Implement in the Submission Year</del> <a href="#">Currently Implementing</a>

**C. MTW Activities Plan that Housing Authority Of The County Of Santa Cruz Plans to Implement in the Submission Year or Is Currently Implementing**

<b>1.w. - Alternative Income Inclusions/Exclusions (HCV)</b>
<p><b>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</b>                  Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b>                  Cost effectiveness; Self-sufficiency; Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>                  Increased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>                  The MTW activity applies to all assisted households</p>
<p><b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b>                  N/A</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>                  Yes</p>
<p><b>What is the status of the Safe Harbor Waiver request?</b>                  The <u>safe harbor</u> waiver request <del>is being submitted for review with this submission of the MTW Supplement (see Section D)</del> was approved in December, 2023.</p>
<p><b>What inclusions or exclusions will be eliminated, modified, or added?</b>                  Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.</p>
<p><b><u>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</u></b>    <u>The asset-building activities are in the process of being implemented, with the first savings deposits anticipated in March, 2024. This waiver will be implemented in tandem with Waiver 5.1.b. Opt-Out Savings Account, which we received formal HUD approval of in December, 2023.</u></p>

<b>2.b. - Payment Standards- Fair Market Rents (HCV)</b>
<p><b>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.</b></p> <p>The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Neutral (no cost implications)</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies to all assisted households.</p>
<p><b>Does this MTW activity require a hardship policy?</b></p> <p>Yes. <a href="#">Previously provided.</a>  <del>This document is attached.</del></p>
<p><b>Does the hardship policy apply to more than this MTW activity?</b></p> <p>No</p>
<p><b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b></p> <p>No</p>
<p><b>How many hardship requests have been received associated with this activity in the past year?</b></p> <p><a href="#">No hardship were requested in the most recent fiscal year.</a></p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p>No</p>
<p><b>Does the MTW activity require an impact analysis?</b></p> <p>Yes. Previously Submitted</p>
<p><b>Does the impact analysis apply to more than this MTW activity?</b></p> <p>No</p>
<p><b>Please explain the payment standards by FMR:</b></p> <p>Currently, PHAs are required to establish payment standards between 90% - 120% Fair Market Rents. The proposed waiver would provide HACSC with greater flexibility to establish payment standards that reflect market rates, resulting in greater housing choice for program families.</p>
<p><b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</b></p> <p><a href="#">The Housing Authority has established payment standards ranging between 80% and 120% of the Fair Market Rent (FMR). This strategic utilization of payment standards offers flexibility within a reasonable range, aiming to accommodate varying housing market conditions for the benefit of program participants.</a></p>



**2.d. - Rent Reasonableness – Third-Party Requirement (HCV)**

**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.**

HACSC will no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department's request, the agency must obtain the services of a third-party.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness; Housing choice

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies only to a subset or subsets of assisted households

**Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?**

New admissions and currently assisted households

**Does the MTW activity apply to all family types or only to selected family types?**

The MTW activity applies to all family types

**Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?**

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

**Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.**

Applies only to units owned or controlled by the PHA.

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Please explain or upload a description of the quality assurance method.**

The HACSC ~~shall develop~~has developed and ~~implement~~implemented procedures for the conduct of regularly scheduled quality control of PHA-owned rent reasonableness assessments, including establishing the sampling size and frequency within the procedures and designating quality control roles and responsibilities.

An explanation was previously provided in lieu of an uploaded document. ~~No document is attached.~~



**Please explain or upload a description of the rent reasonableness determination method.**

Reasonable rent is currently determined using information produced by Affordable Housing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities and amenities. HACSC may institute a change to which database is used for Rent Reasonableness determinations but will always utilize a national rent reasonableness system that meets HUD regulatory requirements.

[An explanation was previously provided in lieu of an uploaded document.](#)

**[Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation](#)**

[The Housing Authority has implemented the waiver, and no longer uses a third party to conduct rent reasonable tests for PBVs at properties owned and/or controlled by the Agency.](#)

<b>3.b. - Alternative Reexamination Schedule for Households (HCV)</b>
<p><b>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.</b></p> <p>Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This <del>change-waiver</del> gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants <del>will</del> have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. <u>To enhance self-sufficiency and increase housing choice, HACSC does not require interim examinations due to increases in income.</u> The activity <del>as proposed</del> meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Cost effectiveness; Self-sufficiency</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Increased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies to all assisted households</p>
<p><b>Does this MTW activity require a hardship policy?</b></p> <p>Yes. <del>This document is attached.</del> <u>Previously provided.</u></p>
<p><b>Does the hardship policy apply to more than this MTW activity?</b></p> <p>No</p>
<p><b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b></p> <p>No</p>
<p><b>How many hardship requests have been received associated with this activity in the past year?</b></p> <p><u>No hardships were requested in the most recent fiscal year.</u></p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p>No</p>
<p><b>Does the MTW activity require an impact analysis?</b></p> <p>Yes. <del>This document is attached.</del> <u>Previously provided.</u></p>
<p><b>Does the impact analysis apply to more than this MTW activity?</b></p> <p>No</p>
<p><b>What is the recertification schedule?</b></p> <p>Other: At least every three years for fixed-income families and at least every two years for all remaining families.</p>
<p><b>How many interim recertifications per year may a household request?</b></p> <p>There is no limit.</p>
<p><b>Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.</b></p> <p>The HACSC will conduct reexaminations for fixed-income families at least every three years and will conduct reexaminations for all remaining (non-fixed-income families) at least every two years. Between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events <del>will be</del> <u>are</u> described in the HCV Administrative Plan and <del>will</del> include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or for financial reasons.</p>
<p><b><u>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</u></b></p> <p><u>HACSC has implemented the waiver with no changes to the waiver request as submitted. With HACSC's waiver of certain provisions of 24 CFR Part 982.516(a) and (c), HACSC has introduced an Alternative Reexamination Schedule to streamline reevaluation processes. Under this initiative, MTW households reliant on fixed-income sources undergo reexaminations at least every three years, non-fixed income MTW households every two years, and all other households annually. Fixed income is defined as stable and primary income sources such as Social Security, Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. As this waiver was written and implemented, HACSC conducts interim adjustments to redetermine subsidy only when the household</u></p>

experiences a qualifying event. Qualifying events are described in the HCV Administrative Plan and include decreases in income, increases in income when requested by the household, changes in household composition, and changes to the contract rent.

**3.d. - Self-Certification of Assets (HCV)**

**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.**

At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies to all assisted households

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Please state the dollar threshold for the self-certification of assets.**

\$50,000.

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.**

The Housing Authority has implemented this waiver and is allowing households to self-certify assets up to \$50,000. This initiative simplifies the asset verification process, empowering eligible households to self-report assets within the specified threshold.

**5.c. - Third-Party Requirement (HCV)**

**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.**

HACSC shall eliminate the requirement for third-party inspections of PHA-owned units, which will save staff time, increase operational efficiency, and increase cost effectiveness. Additionally, it may increase housing choice for tenants through a faster inspection process. With third-party inspections, delays are beyond HACSC's control. HACSC has certified HQS Inspectors on staff and plans to utilize them for PHA-owned unit inspections. This will increase efficiency and reduce staff time. This change will allow HACSC to operate more efficiently and strategically to serve its mission and focus on innovative programs and services to tenants.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness; Housing choice

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies only to a subset or subsets of assisted households

**Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?**

New admissions and currently assisted households

**Does the MTW activity apply to all family types or only to selected family types?**

The MTW activity applies to all family types

**Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?**

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

**Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.**

Applies only to units owned or controlled by the PHA.

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.**

N/A

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Please explain or upload the description of the quality assurance method:**

~~Following will explain the quality assurance method~~

~~"Please explain or upload"—Explanation previously provided herein in lieu of an upload: The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities. No document is attached.~~

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation

The Housing Authority has removed the requirement for third-party inspections on units owned by the Agency. This strategic move is streamlining operations, reducing staff workload, and enhancing cost efficiency by eliminating the need for external inspections.

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

**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.**

The HACSC proposes to project-base the lower of fifty percent (50%) of the total authorized units or fifty percent (50%) of annual budget authority of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program.

The Project-Based Voucher (PBV) program allows a Housing Authority to use up to twenty percent (20%) percent of its vouchers to attach the funding to specific affordable units. PHAs may project base an additional ten percent (10%) of vouchers that are excepted from this cap, for units designated for homeless, veterans, supportive services, or in a low poverty census tract.

Benefits to Development: Project basing gives developers a guarantee of a future source of stable income for a development, which can be integral to the financing package that makes constructing or rehabilitating affordable housing possible. In markets facing a housing shortage, this is one of the only tools housing authorities have to spur the construction of new, quality, affordable units. Many families with tenant-based vouchers struggle to find a unit in the private rental market due to an extreme scarcity of rental housing and property owner reluctance to participate in the voucher program. Scarcity of rental units leads to tenant-based vouchers often expiring before a household can secure a unit, and results in loss of voucher assistance. Committing vouchers to affordable properties through the PBV program ensures those units will be available exclusively to voucher households. Since the PBV program promotes construction of affordable housing in high opportunity low poverty neighborhoods, increasing the PBV cap allows more low-income households, often including children, to benefit from good neighborhoods that are likely to have better schools, parks, healthcare, jobs, transportation, and other assets that improve outcomes for low-income families. Families are not required to stay in PBV units and may move into any unit of their choosing in the private market using a tenant-based voucher at the end of their initial lease term, freeing up the PBV unit for the next eligible household waiting for assistance.

**Which of the MTW statutory objectives does this MTW activity serve?**

Housing choice

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Neutral (no cost implications)

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies to all assisted households

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.**

N/A

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**What percentage of total authorized HCV units will be authorized for project-basing?**

50.00%

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation**

The Housing Authority has implemented this waiver, introduced a new PBV Request for Proposals, and continues to expand the PBV portfolio and spur new affordable housing development.

**9.b. - Increase PBV Project Cap (HCV)**

**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.**

Allows more than the greater of twenty-five units or 25% of the units at a complex to receive Project-Based Voucher assistance. Under current regulations, "excepted" units that are for the elderly or those providing supportive services are already exempt from this cap. This activity would allow units that may not be serving the excepted populations to go above the cap up to 100% of the units at a project. This will increase housing choice and contribute to the development of additional affordable housing production available to households eligible for the Section 8 Program. The HACSC will continue to be subject to Notice PIH 2013-27 where applicable, or successor notices.

**Which of the MTW statutory objectives does this MTW activity serve?**

Housing choice

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Neutral (no cost implications)

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies to all assisted households

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.**

N/A

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.**

The Housing Authority has implemented this waiver, introduced a new PBV Request for Proposals, and continues to expand the PBV portfolio and spur new affordable housing development. The Housing Authority has increased the PBV Project Cap, allowing more than the greater of twenty-five units or 40% of the units at a complex to receive PBV assistance. This waiver allows units beyond those designated for the elderly or supportive services to exceed the cap, enabling PBV awards of up to 100% of the units at a project.



**9.c. - Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)**

**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.**

Under this waiver, the HACSC will eliminate the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site. All other PBV selection and approval requirements, including HQS compliance, NEPA review and subsidy layering review are still applicable and must be conducted. The HACSC will comply with all the following Safe Harbor requirements including (1) A subsidy layering review must be conducted; (2) The agency must complete site selection requirements; ~~(3) HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f);~~ (4) The agency is subject to Notice PIH 2013-27 where applicable, or successor; and (5) Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21. The HACSC has an approved MTW waiver to conduct its own inspections for PHA-owned or controlled units.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies only to a subset or subsets of assisted households

**Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?**

New admissions and currently assisted households

**Does the MTW activity apply to all family types or only to selected family types?**

The MTW activity applies to all family types

**Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?**

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

**Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.**

Applies only to units owned or controlled by the PHA.

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation**

The HACSC eliminated the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site.

**9.h. - Limit Portability for PBV Units (HCV)****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**

HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies to all assisted households

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation**

The Housing Authority has not yet implemented this waiver. Our Special Purpose Waiver requests for applying MTW flexibilities to VASH, EHV and Stability Vouchers were approved in December 2023, and for VASH and Stability Vouchers this waiver will not be applicable. Now that we have a decision from HUD on the applicability of MTW to VASH, EHV and Stability Vouchers, we will be able to move forward with implementation.

<b>14.a. - Waive Initial HQS Inspection Requirement (HCV)</b>
<p><b>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.</b></p> <p>HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Cost effectiveness; Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Decreased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p> <p>Currently assisted households only</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p> <p>The MTW activity applies only to selected family types</p>
<p><b>Please select the family types subject to this MTW activity.</b></p> <p>Other – another specifically defined target population or populations.</p>
<p><b>If Other Selected in Previous Question: Please describe this target population in the text box.</b></p> <p>Only residents of Permanent Supportive Housing Programs.</p>
<p><b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p><b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b></p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p>No</p>
<p><b><u>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</u></b></p> <p><u>The Housing Authority has implemented this waiver and now allows discretion for PSH residents transitioning to voucher-based assistance and staying in their current unit to potentially bypass the Initial HQS inspection. This streamlined approach aims to enhance efficiency and minimize costs during transitions, while participants retain the option to request an inspection at their convenience.</u></p>

**14.b.HCV - Allow Income Calculations from Partner Agencies (HCV)**

**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.**

HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenditures

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activity applies only to a subset or subsets of assisted households

**Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?**

Currently assisted households only

**Does the MTW activity apply to all family types or only to selected family types?**

The MTW activity applies only to selected family types

**Please select the family types subject to this MTW activity.**

Other – another specifically defined target population or populations.

**If Other Selected in Previous Question: Please describe this target population in the text box.**

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

**Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?**

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

**Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.**

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

**Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?**

No

**Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation**

The Housing Authority has implemented a waiver allowing the use of partner agency income calculations and documentation, aligning with 24 CFR 5.609 (defining annual income) and within a one-year timeframe. This measure is aimed at streamlining transitions, reducing costs, and simplifying the process for PSH households by eliminating redundant paperwork and easing document verification burdens, especially for vulnerable populations.

<b>14.c.HCV - Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)</b>
<p><b>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.</b></p> <p>HACSC may, at their discretion, adjust the subsidy for PSH residents transitioning into voucher-based assistance to align the tenant's portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant's contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Increased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p> <p>Currently assisted households only</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p> <p>The MTW activity applies only to selected family types</p>
<p><b>Please select the family types subject to this MTW activity.</b></p> <p>Other – another specifically defined target population or populations.</p>
<p><b>If Other Selected in Previous Question: Please describe this target population in the text box.</b></p> <p>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</p>
<p><b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p><b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b></p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p>No</p>
<p><b><u>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</u></b></p> <p><u>The Housing Authority has implemented a waiver enabling the adjustment of subsidies for PSH residents transitioning to voucher-based assistance, aligning with the tenant's previous rent contributions from their PSH program. This measure aims to prevent substantial increases in tenant rent payments during transitions between programs with varying subsidy structures, thereby mitigating the risk of displacement for affected individuals.</u></p>

<b>17.c. - Housing Development Programs</b>
<p><b>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.</b></p> <p>HACSC intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds.</p> <p><u>Pending HUD approval of our Safe Harbor Waiver to "i. The agency must not spend more than 10% of its HAP Budget on local, non-traditional activities,"</u> HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities, <del>and</del> families receiving housing or services through local, non-traditional activities must meet the definition of low-income. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice. The Agency shall comply with Safe Harbor provisions requiring compliance with Section 30 of the</p> <p>1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Increased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies to all assisted households</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p><del>No</del>Yes</p>
<p><b><u>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation</u></b></p> <p><u>The waiver has been implemented as designed, however this year we will seek a waiver to the following Safe Harbor provision:</u></p> <p><u>i. The agency must not spend more than 10% of its HAP budget on local, non-traditional activities.</u></p>

**Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges Apartments <a href="#">415 Natural Bridges Drive, Santa Cruz, CA 95060</a>	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00

**Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
<a href="#">Natural Bridges Apartments - 415 Natural Bridges Drive, Santa Cruz, CA 95060</a>	<a href="#">New Construction</a>	<a href="#">Gap Financing or Construction</a>	20	20	0	20	0	0

**Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
<a href="#">Natural Bridges Apartments - 415 Natural Bridges Drive, Santa Cruz, CA 95060</a>	<a href="#">New Construction</a>	<a href="#">Gap Financing or Construction</a>	20	20	0	20	0	0

**Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
<a href="#">Natural Bridges Apartments - 415 Natural Bridges Drive, Santa Cruz, CA 95060</a>	<a href="#">New Construction</a>	<a href="#">Gap Financing or Construction</a>	20	20	0	20	0	0



<b>D.</b>	<b>Safe Harbor Waivers.</b>			
<b>D.1</b>	<p><b>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</b></p> <p><del>Yes, the Safe Harbor Waiver request for 1w is attached.</del> <a href="#">Yes, the request for a waiver to Safe Harbor 17.c.i. "The agency must not spend more than 10% of its HAP budget on local, non-traditional activities" is attached.</a></p>			
<b>E.</b>	<b>Agency-Specific Waiver(s).</b>			
<b>E.1</b>	<p><b>Agency-Specific Waiver(s) for HUD Approval:</b></p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.</p> <p>In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.</p> <p>For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) 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.</p> <p><b>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?</b></p> <p>Yes, the new Agency-Specific Waiver requests are attached.</p>			
<b>E.2</b>	<p><b>Agency-Specific Waiver(s) for which HUD Approval has been received: Does the MTW agency have any approved Agency-Specific Waivers?</b></p> <p><u>Yes:</u></p> <ul style="list-style-type: none"> <li><input type="radio"/> <a href="#">Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.</a></li> <li><input type="radio"/> <a href="#">Extend Zero HAP participation from 180 days to 360 days.</a></li> </ul> <p><del>MTW Agency does not have approved Agency-Specific Waivers</del></p>			
<b>F.</b>	<b>Public Housing Operating Subsidy Grant Reporting.</b>			
<b>F.1</b>	<p>Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.</p>			
<b>Federal Fiscal Year (FFY)</b>	<b>Total Operating Subsidy Authorized Amount</b>	<b>How Much PHA Disbursed by the 9/30 Reporting Period</b>	<b>Remaining Not Yet Disbursed</b>	<b>Deadline</b>
0	0	0	0	N/A

<b>G.</b>	<b>MTW Statutory Requirements.</b>	
<b>G.1</b>	<p><b>75% Very Low Income – Local, Non-Traditional.</b></p> <p>HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.</p>	
<b>Income Level</b>		<b>Number of Local, Non-Traditional Households Admitted in the Fiscal Year*</b>
80%-50% Area Median Income		0
49%-30% Area Median Income		0
Below 30% Area Median Income		0
Total Local, Non-Traditional Households		<b>0</b>

\*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

<b>G.2</b>	<b>Establishing Reasonable Rent Policy.</b>	
<p><b>Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?</b> Yes</p>		
<b>G.3</b>	<b>Substantially the Same (STS) – Local, Non-Traditional.</b>	
<p>The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.</p>		0 # of unit months

**Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:**

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	Popu-lation Type	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)*	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
Natural Bridges Apartments - 415 Natural Bridges Drive, Santa Cruz, CA 95060	0	0	0	0	0	0	0						

G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.	
<p>To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix" of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.</p>		
Family Size:	Occupied Number of Local, Non-Traditional units by Household Size	
1 Person	0	
2 Person	0	
3 Person	0	
4 Person	0	
5 Person	0	
6+ Person	0	
Totals	<b>0</b>	

H.	Public Comment	
<p><b>PENDING PUBLIC HEARING</b> - Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.</p>		
<p><b>PENDING PUBLIC HEARING</b>- Please see attached comments for the additional public hearing held for the Safe Harbor Waiver(s) and Agency-Specific Waiver(s)</p>		
I.	Evaluations.	
<p>No known evaluations.</p>		

MTW Safe Harbor Waiver Activities Planned for Implementation

<b>Safe Harbor Waiver</b>
<b>MTW Waiver 17.c Exceed 10% HAP Limit for Local, Non-Traditional Activities</b>
<p><b>The specific safe harbor and its implementing regulation:</b>                  Local, Non-Traditional Activities: Safe Harbor 17.c.i. <i>"The Agency must not spend more than 10% of its HAP budget on local, non-traditional activities."</i></p>
<p><b>The proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver:</b>                  This Safe Harbor Waiver seeks to exceed the standard 10% HAP budget limit for Local Non-Traditional activities, maintaining service for the same number of households without adverse effects on them or the high utilization of the HCV program. The initiative responds to housing scarcity within the community and the Agency's exorbitant housing development costs by directing the otherwise underutilized HAP budget towards permanent housing resources. This strategic allocation aims to tackle the challenge of expensive housing, maximizing the value of HAP funds for long-term benefits to the community and the HCV program.</p>
<p><b>A description of the local issue and why such an expansion is needed to implement the MTW activity:</b>                  The decision to seek a waiver exceeding the 10% limit for Local Non-Traditional Development is driven by several critical factors. Firstly, it is essential to maintain uninterrupted services for the same number of households without negatively impacting their access to crucial support. Secondly, the agency aims to sustain the high utilization levels within the HCV program, ensuring its efficient operation. Additionally, the pressing issue of exorbitant housing development costs in the County demands a strategic approach.                  By utilizing the Safe Harbor Waiver to exceed the limit, the agency intends to redirect HAP dollars towards creating additional, new permanent housing resources. This proactive step aligns with the urgent need to maximize available funds and effectively address the challenge of housing affordability. Ultimately, this waiver signifies the Agency's unwavering commitment to serving households, ensuring program efficiency, and resourceful navigation within the County's challenging housing landscape.                  HACSC has increased our voucher utilization consistently over the past 5 years, with utilization rates exceeding the state and national level. HACSC seeks to continue to increase voucher utilization and will only dedicate MTW funds to development to the extent that we continue to make progress on our goal to achieve and maintain 100% voucher utilization.                   The strategic allocation of otherwise underutilized HAP budget to creation of permanent housing resources under the Safe Harbor Waiver is anticipated to increase the agency's cost effectiveness and increase housing choice by alleviating housing scarcity, leading to anticipated shorter wait times for families seeking housing assistance.</p>
<p><b>An impact analysis is required for this activity.</b>                  Impact Analysis is attached.</p>
<p><b>A description of the hardship policy for the MTW activity, if applicable:</b>                  No hardship policy is needed for this MTW activity.</p>
<p><b>A copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered.</b>  <i>Pending public hearing.</i></p>

<b>Safe Harbor Waiver Impact Analysis</b>
<b>Waiver Description:</b> <b>MTW Waiver 17.c Exceed 10% HAP Limit for Local, Non-Traditional Activities</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
This Safe Harbor Waiver seeks to exceed the standard 10% HAP budget limit for Local Non-Traditional activities, maintaining service for the same number of households or greater, without adverse effects on them or the high utilization of the HCV program. The initiative responds to housing scarcity within the community and the Agency's exorbitant housing development costs by directing the otherwise underutilized HAP budget towards development of permanent housing resources. This strategic allocation aims to tackle the challenge of scarce and expensive housing, maximizing the <b>value</b> of HAP funds for the greatest long-term benefits to the community and the HCV program.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input checked="" type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
All assisted households
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
All family types
<b>Please select the family types subject to this MTW activity.</b>
N/A
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
Increased costs for Local Non-Traditional development, with no changes to the agency's per family contributions.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC does not expect any impact to the amount affected families will pay.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
The Safe Harbor Waiver's potential impact on the agency's waitlist(s) is positive and is anticipated to contribute to a slight reduction in wait times for families.
<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
HACSC does not expect any impact to the Agency's termination rate of families.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>
N/A
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The impact on meeting the statutory goal of cost effectiveness through the proposed Safe Harbor Waiver for exceeding the 10% limit in Local Non-Traditional Development can be substantial. By redirecting HAP dollars towards the creation of permanent housing resources, the Agency aims to optimize the value of these funds.  This strategic investment aligns with the MTW goal of cost effectiveness by utilizing the agency's HAP budget to efficiently address the pressing challenge of housing affordability. Additionally, focusing on development of new permanent housing solutions in response to the exorbitant costs of housing in the County signifies a deliberate effort to maximize the impact of available funds. By strategically investing in sustainable housing, the agency aims to achieve cost effectiveness by utilizing resources thoughtfully to provide long-term solutions that benefit the community and the HCV program within the MTW framework.  The strategic allocation of otherwise underutilized HAP budget to creation of permanent housing resources under the Safe Harbor Waiver is also anticipated to increase housing choice by alleviating housing scarcity, leading to shorter wait times for families seeking housing assistance.

**Impact on the agency's ability to meet the MTW statutory requirements.**

The proposed policy will positively impact HACSC's ability to meet statutory requirements by increasing cost effectiveness and housing choice

**Impact on the rate of hardship requests and the number granted and denied as a result of this activity.**

No impact as there is no hardship policy needed for this Safe Harbor Waiver.

**Across the other factors above, the impact on protected classes (and any associated disparate impact).**

The proposed policy is not expected to have any negative or disparate impact on any protected classes. The policy will benefit households.

**Implementation timeline.**

HACSC will implement this initiative upon HUD approval of the MTW Supplement.

**Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.**

No hardship policy is needed for this Safe Harbor Waiver.

MTW Agency Specific Waiver Activities Planned for Implementation

<b>Agency-Specific Waiver</b>
<b>Standardized Proration</b>
<b>Regulation to Waive:</b> § 5.520
<p>When a household includes eligible and ineligible members, defined as individuals who do not have eligible immigration status, the household is considered a “mixed family.” In such cases, current HUD regulations require that the PHA prorate the HAP portion of the household’s subsidy based on the number of eligible to in-eligible household members. This current practice is challenging to calculate correctly, is very hard for most mixed families to understand, and at times can be a significant barrier to the family’s ability to find a rental unit. Additionally, it results in a significant rent burden for affected households.</p> <p>To address these issues, HACSC proposes a simplified approach: a standardized deduction of \$150 per ineligible household member from the total monthly HAP subsidy. This streamlined method aims to simplify calculations, reduce complexities, and offer clearer guidance to mixed families, supporting their quest for stable housing and reducing rent burden.</p> <p>The proposed waiver seeks to replace the proration process with a straightforward approach that ensures more clear calculations and removes obstacles to housing access for mixed families.</p>
<p><b>This MTW activity serves the following statutory objectives:</b></p> <p><input checked="" type="checkbox"/> Housing Choice  <input checked="" type="checkbox"/> Self Sufficiency</p>
<p><b>Cost Implications</b></p> <p><input checked="" type="checkbox"/> Increased expenditure</p>
<p><b>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?</b></p> <p><input checked="" type="checkbox"/> The MTW activity applies only to a subset or subsets of assisted households.</p>
<p><b>If previous question is a subset.</b>  <b>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?</b></p> <p><input checked="" type="checkbox"/> New admissions and currently assisted households</p>
<p><b>If waiver doesn’t apply to all assisted households:</b>  <b>Family Types. Does the MTW activity apply to all family types or only to selected family types?</b></p> <p><input checked="" type="checkbox"/> The MTW activity applies only to selected family types</p> <p><b>Family types subject to this MTW activity:</b></p> <p><input checked="" type="checkbox"/> Other – another specifically defined target population or populations. Please describe this target population here:  <b>Households that include eligible and ineligible (individuals who do not have eligible immigration status) members are considered a “mixed family.”</b></p>
<p><b>If not all assisted households are selected.</b>  <b>For HCV activities:</b>  <b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p> <p><input checked="" type="checkbox"/> The MTW activity applies to all properties with project-based vouchers</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p><input checked="" type="checkbox"/> No</p>
<p><b>Does this MTW activity require a Hardship Policy:</b></p> <p><input checked="" type="checkbox"/> No</p>
<p><b>Does the MTW activity require an impact analysis?</b></p> <p><input checked="" type="checkbox"/> Yes. The Impact Analysis is attached.</p>
<p><b>Does the impact analysis apply to more than this MTW activity?</b></p> <p><input checked="" type="checkbox"/> No</p>
<p><b>Based on the Fiscal Year goals listed in the activity’s previous Fiscal Year’s narrative, provide a description about what has been accomplished or changed during the implementation.</b></p> <p>N/A</p>
<p><b>Comments received at the public hearing for the Agency-Specific waiver and the agency’s description of how the comments were considered.</b></p> <p><i>Pending public hearing.</i></p>



<b>Agency-Specific Waiver Impact Analysis</b>
<b>Waiver Description: Standardized Proration</b>
<b>Regulation to Waive:</b> § 5.520
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
<p>When a household includes eligible and ineligible members, defined as individuals who do not have eligible immigration status, the household is considered a "mixed family." In such cases, current HUD regulations require that the PHA prorate the HAP portion of the household's subsidy based on the number of eligible to in-eligible household members. This current practice is challenging to calculate correctly, is very hard for most mixed families to understand, and at times can be a significant barrier to the family's ability to find a rental unit. Additionally, it results in significant rent burden<u>s</u> for affected households.</p> <p>To address these issues, HACSC proposes a simplified approach: a standardized deduction of \$150 per ineligible household member from the total monthly HAP subsidy. This streamlined method aims to simplify calculations, reduce complexities, and offer clearer guidance to mixed families, supporting their quest for stable housing, and reducing rent burden. The proposed waiver seeks to replace the proration process with a straightforward approach that ensures more clear calculations and removes obstacles to housing access for mixed families.</p>
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Self-sufficiency. <input checked="" type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
Subset of households
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
New admissions and currently assisted households
<b>Please select the family types subject to this MTW activity.</b>
Households that include eligible and ineligible (individuals who do not have eligible immigration status) members are considered a "mixed family."
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
<p>The estimated cost of implementing this waiver is calculated to be \$1,719,552. This cost projection covers the reduction in rent for households benefitting from the waiver. This figure reflects the difference between the current method of proration and the proposed standardized proration method, specifically deducting a fixed amount of \$150 per ineligible household member from the total monthly HAP subsidy.</p> <p>In terms of the change in the Agency's per-family contributions, implementing the waiver will result in an increase in the amount of subsidy allocated per household for most households. The current proration method based on the ratio of eligible to ineligible household members could potentially offer slightly higher subsidies to some households compared to the proposed standardized method that deducts a fixed amount per ineligible member. As a result, the Agency's per-family contributions for a few families may decrease due to the implementation of this simplified proration approach.</p>
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
<p>Implementing the proposed waiver for the standardized proration method for determining HAP subsidies in mixed families is anticipated to positively impact the affordability of housing costs for affected households. A substantial percentage of prorated households are paying more than 40% and 50% of their adjusted income on rent. Currently 82% of prorated households are paying more than 40% of their adjusted income on rent; with implementation of this waiver, only 50% of prorated households will pay more than 40%. Out of the total prorated households, 277 families are projected to experience a decrease in their monthly rent payments by an average of \$519. A small fraction of prorated households (10) are projected to experience an average increase of \$46 as a result of the waiver implementation. The waiver is anticipated to substantially reduce the housing cost burdens for the vast majority of prorated households. By simplifying calculations and offering a fixed deduction per ineligible member, the proposed method aims to alleviate the financial strain of extreme rent burden experienced by mixed families, thereby enhancing housing affordability and stability for these households.</p>

<b>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC does not expect any impact to the amount of time families wait on the waiting list.
<b>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
HACSC does not expect any impact to the Agency’s termination rate of families.
<b>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</b>
The waiver may lead to increased occupancy levels as it enables easier access to suitable rental units for mixed families.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
<b>Self-Sufficiency:</b> The current complex proration method creates administrative burdens and is confusing for both households and the Agency. By simplifying the calculation process and providing clarity through the proposed standardized proration method, HACSC aims to empower households achieve greater self-sufficiency. Simplified procedures enable households to better understand and manage their housing assistance, potentially allowing them to allocate more resources toward self-improvement, education, and career development, thus fostering self-sufficiency.
<b>Housing Choice:</b> The complexity of the current proration practice hinders housing access for prorated families. Delays or difficulties in understanding calculations often impede the search for suitable rental units, intensifying housing instability. The proposed standardized method seeks to remove these barriers, thereby expanding housing options and choices for prorated families. With clearer and more accessible calculations, families will have an improved ability to find appropriate housing that meets their needs, enhancing their overall housing choice.
The proposed waiver is poised to significantly contribute to meeting the MTW statutory goals of self-sufficiency and housing choice by simplifying processes, enhancing affordability, and expanding housing options for mixed families.
<b>Impact on the agency’s ability to meet the MTW statutory requirements;</b>
The proposed policy will not impact HACSC’s ability to meet statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
HACSC does not expect any impact to the rate of hardship requests.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
The proposed policy is not expected to have any negative or disparate impact on any protected classes. The policy will benefit households.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MTW Supplement, Agency Plan, and Administrative Plan
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
N/A

<b>Agency-Specific Waiver</b>
<b>Project Based Vouchers – Noncontiguous Sites</b>
<b>Regulation to Waive:</b> § 983.3(b) Definition of “Project”
The Housing Authority of the County of Santa Cruz (HACSC) proposes to expand the definition of “Project” to include non-contiguous scattered sites. This would allow logical groupings of contract units on non-contiguous parcels with the same owner to be included in the same HAP contract. By expanding the definition of “Project” to encompass non-contiguous scattered sites, HACSC aims to foster administrative efficiency, streamline operations, and provide improved housing services. This approach aligns with the goal of optimizing resources and enhancing programmatic effectiveness to better serve the community’s housing needs. The HACSC intends to utilize this administrative flexibility with its former Low-Income Public Housing properties as they are converted to PBV.
<b>Grouping Contract Units:</b> Including non-contiguous scattered sites under a unified HAP contract enables the logical grouping of contract units situated on separate but related parcels under the same ownership. This consolidation simplifies administrative processes by allowing HACSC to manage these units collectively, streamlining operations and reducing administrative complexities associated with disparate management.
<b>Achieving Administrative Efficiency:</b> Particularly beneficial for former Low-Income Public Housing properties, this expansion facilitates the efficient management of scattered units that may have previously been administratively cumbersome to handle separately. Consolidating these units into a single HAP contract enhances the HACSC’s ability to efficiently oversee and allocate resources to these properties.
<b>This MTW activity serves the following statutory objectives:</b> <input checked="" type="checkbox"/> Cost effectiveness
<b>Cost Implications</b> <input checked="" type="checkbox"/> Decreased expenditures
<b>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?</b> <input checked="" type="checkbox"/> The MTW activity applies only to a subset or subsets of assisted households.
<b>If previous question is a subset.</b> <b>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?</b> <input checked="" type="checkbox"/> New admissions and currently assisted households
<b>If waiver doesn’t apply to all assisted households:</b> <b>Family Types. Does the MTW activity apply to all family types or only to selected family types?</b> <input checked="" type="checkbox"/> The MTW activity applies to all family types
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> <input checked="" type="checkbox"/> No
<b>Does this MTW activity require a Hardship Policy:</b> <input checked="" type="checkbox"/> No
<b>Does the MTW activity require an impact analysis?</b> <input checked="" type="checkbox"/> Yes. The Impact Analysis is attached.
<b>Does the impact analysis apply to more than this MTW activity?</b> <input checked="" type="checkbox"/> No
<b>Based on the Fiscal Year goals listed in the activity’s previous Fiscal Year’s narrative, provide a description about what has been accomplished or changed during the implementation.</b> N/A
<b>Comments received at the public hearing for the Agency-Specific waiver and the agency’s description of how the comments were considered.</b> <i>Pending public hearing.</i>

<b>Agency-Specific Waiver Impact Analysis</b>
<b>Waiver Description: Project Based Vouchers – Noncontiguous Sites</b>
<b>Regulation to Waive:</b> § 983.3(b) Definition of “Project”
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
<p>The Housing Authority of the County of Santa Cruz (HACSC) proposes to expand the definition of “Project” to include non-contiguous scattered sites. This would allow logical groupings of contract units on non-contiguous parcels with the same owner to be included in the same HAP contract. By expanding the definition of “Project” to encompass non-contiguous scattered sites, HACSC aims to foster administrative efficiency, streamline operations, and provide improved housing services. This approach aligns with the goal of optimizing resources and enhancing programmatic effectiveness to better serve the community’s housing needs. The HACSC intends to utilize this administrative flexibility with its former Low-Income Public Housing properties as they are converted to PBV.</p> <p><b>Grouping Contract Units:</b> Including non-contiguous scattered sites under a unified HAP contract enables the logical grouping of contract units situated on separate but related parcels under the same ownership. This consolidation simplifies administrative processes by allowing HACSC to manage these units collectively, streamlining operations and reducing administrative complexities associated with disparate management.</p> <p><b>Achieving Administrative Efficiency:</b> Particularly beneficial for former Low-Income Public Housing properties, this expansion facilitates the efficient management of scattered units that may have previously been administratively cumbersome to handle separately. Consolidating these units into a single HAP contract enhances the HACSC’s ability to efficiently oversee and allocate resources to these properties.</p>
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness.
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
Subset(s) of assisted households.
<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>
<input checked="" type="checkbox"/> New admissions and currently assisted households
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>
<input checked="" type="checkbox"/> The MTW activity applies to all properties with project-based vouchers
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
All family types
<b>Impact on the agency’s finances (e.g., how much will the activity cost, and any change in the agency’s per family contributions).</b>
The proposed expansion of the “Project” definition to include non-contiguous scattered sites is expected to reduce administrative complexities, leading to modest cost savings for the Agency by streamlining operations. This move aligns with the Agency’s aim to optimize resources, particularly in managing former Low-Income Public Housing properties.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC does not anticipate any impact on affordability of housing cost for affected families.
<b>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC does not anticipate any impact to the amount of time families wait on the waiting list.
<b>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
HACSC does not anticipate any impact to the Agency’s termination rate of families.
<b>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</b>
Implementing the proposed waiver could optimize occupancy levels by through more efficient administrative processes, leading to improved utilization rates within the HCV program.

<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The proposed expansion of the “Project” definition to include non-contiguous scattered sites aligns with the MTW program's objective of cost effectiveness. By consolidating scattered units under a unified HAP contract, the Agency aims to reduce administrative cost and eliminate inefficient processes
<b>Impact on the agency’s ability to meet the MTW statutory requirements;</b>
The proposed expansion of the “Project” definition to include non-contiguous scattered sites is expected to positively impact the Agency’s ability to meet the MTW statutory requirement of cost effectiveness.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
HACSC does not expect any impact to the rate of hardship requests.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
The proposed policy is not expected to have any negative or disparate impact on any protected classes. The policy will benefit households.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon HUD approval of the MTW Supplement.
<b>Description of a hardship policy, if needed.</b>
N/A, there is no hardship policy needed for this waiver.