

PHA Name: Housing Authority Of The County Of Santa Cruz

PHA Code : CA072

MTW Supplement for PHA Fiscal Year Beginning: 7/1/2025

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) 2025 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 has worked for the past two years with HUD and the evaluation team to develop, implement and evaluate the "Opt-Out Savings Account" initiative. HACSC has also 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 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 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 has provided 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 will continue exploring opportunities to encourage assisted households to seek employment opportunities, increased wages, and build assets.

Cost Effectiveness: HACSC is leveraging MTW authority and has implemented a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers are enabling HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC conducting certain HQS functions and PBV processes in which third-party assistance was previously required 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 is being achieved through our increase to the PBV program cap and PBV project cap. The ability to expand the PBV program is already providing new housing opportunities to program participants and 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.

HACSC is excited to be participating in the Asset Building Cohort and implementing MTW waivers that achieve HUD's statutory objectives. These activities align with the 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.

Development: Casa Pajaro Apartments is a 34-unit apartment complex, located at 127-193 East Front Street in the City of Watsonville, which consists of seventeen 2-bedroom units and seventeen 3-bedroom units. The Housing Authority is providing a loan with Moving to Work funds to the borrower in the amount of \$21,200,000 in order to facilitate the purchase of the property. The Housing Authority is applying a regulatory agreement and declaration of restrictive covenants in which the Authority agrees to provide an award of Project-Based Vouchers (PBV) for thirty-three of the units and the borrower agrees to accept the PBV Award and enter into a Housing Assistance Payment contract. This project is considered 100% affordable through assistance from the PBV program.

The Housing Authority may utilize LNT authority under waiver 17.c. for Housing Development Programs. The Housing Authority has an Option Agreement to acquire "Chanticleer" at 2021 – 2031 Chanticleer Avenue, Santa Cruz, CA 95602 from the seller. The Housing Authority plans to use MTW funds for the acquisition. At the time of purchase, the Housing Authority will record a regulatory agreement and declaration of restrictive covenants in which the property must be used for the development of affordable housing and for the units to be occupied by low-income households with incomes at or below 80% of the Santa Cruz County area median income level. After acquisition, the project is anticipated to consist of the new construction of an estimated 50 affordable units, with the exact amount and AMI levels to be determined pending a feasibility analysis. The proposed unit mix includes 50% two-bedroom and three-bedroom units, with the remaining 50% of units to include studios and one-bedrooms. The Housing Authority is currently conducting the feasibility analysis to determine the cost and source of funds to support the development and construction of the project. The Housing Authority anticipates MTW funds will also be used to support the development and construction costs of this project utilizing LNT authority and will seek other non-MTW funding such as low-income housing tax credits, HOME, CDBG, and other state and local funding.

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.

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).

1. Tenant Rent Policies	
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)	Plan to Implement in the Submission Year
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)	Currently Implementing
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Currently Implementing
2. Payment Standards and Rent Reasonableness	
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Currently Implementing

3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Currently Implementing
4. Landlord Leasing Incentives	
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
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Currently Implementing
d. Alternative Inspection Schedule (HCV)	Plan to Implement in the Submission Year
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	
Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Currently Implementing
b. Increase PBV Project Cap (HCV)	Currently Implementing
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Currently Implementing
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 Choice Mobility for PBV Units (HCV)	Currently Implementing
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10. Family Self-Sufficiency Program with MTW Flexibility	
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)	Plan to Implement in the Submission Year
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Plan to Implement in the Submission Year
11. MTW Self-Sufficiency Program	
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
c. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Currently Implementing
b. PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
c. HCV Allow Income Calculations from Partner Agencies (HCV)	Currently Implementing
d. PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
e. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Currently Implementing
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented

16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Currently Implementing

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

1.o. Tenant Rent Policies – Initial Rent Burden
<p>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</p> <p>HACSC will waive the maximum family share at initial occupancy of 40% of the family's monthly income. HACSC will not allow the family share at initial occupancy to exceed 50% of the family's monthly income.</p> <p>Santa Cruz County is currently the most expensive rental market in the nation. HACSC requests this waiver to promote increased housing choice for households, allowing HCV participants more options in their housing search. Implementation of this activity allows participants to look for housing that may be more costly than otherwise permitted under HUD regulations, but it also gives participants the option to live in lower poverty neighborhoods with access to better schools and employment opportunities</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Cost neutral.</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>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.</p> <p>N/A</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does this MTW activity require a hardship policy?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>If the MtW agency plans to implement a new maximum income-based rent percentage (higher than 40% of adjusted monthly income), what is that maximum? 50%</p>

1.u. – Standard Deduction (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 intends to establish a standard deduction for medical expenses applicable to all elderly and disabled households with medical expenses exceeding an established threshold. The standard deduction for medical expenses and the threshold at which it applies shall both be indicated in the HACSC Section 8 Administrative Plan. Eligible elderly and disabled families who claim medical expenses at or above the established threshold will be required to sign a self-certification.

This MTW activity doesn't impact the family's eligibility to receive the elderly/disabled and dependent deductions in accordance with §5.611(a)(1) – (a)(2).

For purposes of this MTW activity, medical expenses are defined in accordance with 24 CFR §5.603: Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

For FY starting 7/1/2024, the proposed standard deduction for medical expenses is \$1,500 for elderly and disabled households with expenses at or above a \$1,500 threshold. HACSC will periodically adjust the amount of the standard medical deduction, adhering to HUD's methodology for calculating inflationary adjustments for the elderly/disabled family deduction, pursuant to a pending HUD Federal Register notice.

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

Households may request a Medical Expense Hardship exemption to the standard deduction in accordance with the HACSC Medical Expense Hardship Policy. Families requesting a hardship exception will be asked to complete a medical expense verification packet, and may be asked to provide supporting documents, receipts, and/or contact information of healthcare providers that can verify the expenses.

Staff currently spend a significant amount of time calculating medical expenses to determine a household's allowable medical expense deduction. By establishing a standard deduction for medical expenses, and by allowing households eligible for the standard deduction to self-certify their medical expenses and applying a standardized deduction, significant staff time will be saved. It's anticipated that savings in staff time previously spent calculating medical expenses can be redirected to direct client services or other programs benefiting the clients served by HACSC.

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

<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types: elderly and disabled.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers: The MTW activity applies to all tenant-based units and all properties with project-based vouchers.</p>
<p>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.</p> <p>The activity was approved by HUD in October 2024 and HACSC is in the process of implementation. Staff training and Yardi setup are scheduled for Spring 2025, with an anticipated effective date of 7/1/2025.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>0</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>How much will the single standard deduction be in the Fiscal Year?</p> <p>\$1,500 for FY beginning July 1, 2024.</p>

1.w. - Alternative Income Inclusions/Exclusions (HCV)
<p>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</p> <p>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>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Self-sufficiency; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>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.</p> <p>The asset-building activities have been implemented, with deposits effective March 2024.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>Yes</p>
<p>What is the status of the Safe Harbor Waiver request?</p> <p>The waiver was previously approved.</p>
<p>Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity.</p> <p>Income attributable to the asset-building activities our PHA has implemented as part of the MTW Asset Building cohort are excluded. This safe harbor waiver contributes to the success of the asset building program.</p>
<p>What inclusions or exclusions will be eliminated, modified, or added?</p> <p>Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort is excluded.</p>

2.b. - Payment Standards- Fair Market Rents (HCV)
<p>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.</p> <p>The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households.</p>
<p>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</p> <p>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.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>0</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>Please explain the payment standards by FMR:</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>

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 no longer requires a third party to conduct rent reasonableness tests and to assist the family in negotiating the rent to owner on units at properties that HACSC owns, manages, and/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.

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 at properties owned and/or controlled by the Agency.

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 has developed and 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 is provided in lieu of an uploaded document.

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 is provided in lieu of an uploaded document.

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

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 waiver gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. To enhance self-sufficiency and increase housing choice, HACSC will not perform an interim reexamination for earned and/or unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

There is no limit to the number of interim reexaminations a family may request per year, without requesting a hardship, for qualifying events.

The activity 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.

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

Cost effectiveness; Self-sufficiency

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

Increased 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

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

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 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. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

<p>Does this MTW activity require a hardship policy?</p> <p>Already provided.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>0</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>What is the recertification schedule? Other:</p> <p>The Housing Authority will conduct reexaminations for fixed-income households at least every three years, conduct reexaminations for non-fixed income households under MTW flexibility at least every two years, and all other households will have a reexamination conducted annually. Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. Zero income families are not considered to be fixed income; zero income families will have reexaminations conducted annually.</p> <p>In between reexaminations, the HACSC will conduct any number of interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will include decreases in income, without regard to a specified threshold, 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 financial reasons. HACSC will not perform an interim reexamination for both earned and unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family.</p> <p>Families may also request an interim reexamination under the HACSC hardship policy. A hardship may be requested if a family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance; and/or, the family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.</p>
<p>How many interim recertifications per year may a household request?</p> <p>2 or more</p>

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

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 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. 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.

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

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.

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.

5.c. - Third-Party Requirement (HCV)
<p>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.</p> <p>HACSC eliminated the requirement for third -party inspections on units at properties the PHA owns, manages, and/or controls, 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.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies to all family types</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers.</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to units owned or controlled by the PHA.</p>
<p>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.</p> <p>The Housing Authority has removed the requirement for third-party inspections on all units, both PBV and HCV, owned or controlled by the Agency. This strategic move is streamlining operations, reducing staff workload, and enhancing cost efficiency by eliminating the need for external inspections.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Please explain or upload the description of the quality assurance method:</p> <p>HACSC has developed and implemented procedures for the conduct of regularly scheduled quality control of PHA-owned PBV and HCV unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities. An explanation is provided in lieu of an upload.</p>

5.d. Housing Quality Standards – Alternative Inspection Schedule (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 proposes to modify the frequency of inspections for both HCV and PBV Units, to be conducted every three years instead of every two years. This change will result in the ability to reallocate staff time to better meet the needs of residents and participants and working with the community to assess and help meet other housing needs. Participants and/or property owners will continue to be able to request an inspection at any time. This change does not allow any alteration of the Housing Quality Standards, nor does it prohibit the Housing Authority from requiring an inspection at any time for health, safety and accessibility issues. This change will save staff time thus allowing staff to devote more time to supporting participants and the housing issues in the larger community and reduce the burden on participants and property owners who need to schedule time to open up the unit to our inspectors.

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.

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

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.

This waiver has been implemented as planned, and HACSC is continuing to spur new affordable housing production with awards of project-based vouchers to projects selected through the RFP process. HACSC has introduced a new PBV Request for Proposals and will continue to expand the PBV portfolio. Before the end of FY 2024-25, HACSC's total commitment of PBVs is anticipated to exceed 30% of our ACC Authorized Units.

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%

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.

The Housing Authority initially implemented this waiver in FY 2023-24 to allow more than the greater of twenty-five units or 40% of the units at a complex to receive PBV assistance and introduced a new PBV Request for Proposals. The Housing Authority has since reduced the PBV Project Cap back down to the greater of 15 units or 40 percent of the units at the project. The waiver as approved still allows HACSC to award up to 100% of the units at a project.

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

No

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 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. 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 the following Safe Harbor requirements (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), unless MTW waiver 5.c. or an Agency-Specific Waiver is implemented; (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.

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.

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

No

9.h. - Limit Choice Mobility 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

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.

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

No

10.d. HCV – Modify or Eliminate the Contract of Participation (HCV)
<p>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</p> <p>The agency is authorized to modify the terms of or eliminate the FSS Contract of Participation (HUD-52650), in lieu of a local form. The agency may modify the terms of the Contract of Participation to align with adjustments made to its MTW FSS Program using MTW flexibility. Further, the agency may discontinue use of the Contract of Participation and instead employ a locally-developed agreement that codifies the terms of participation. The proposed activity will meet all of the applicable safe harbor requirements in the Operations Notice.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Self Sufficiency</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households.</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types.</p>
<p>Please select the family types subject to this MTW activity:</p> <p>Other – another specifically defined target population or populations. Please describe this target population: Participants in the FSS Program</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers.</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and to all properties with project-based vouchers</p>
<p>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.</p> <p>N/A</p>
<p>Does this MTW activity require a hardship policy?</p> <p>No</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>No</p>

10.e. FSS Program with MTW Flexibility Activities – Policies for Addressing Increases in Family Income**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 proposes to increase the FSS Program incentives for income growth, resident participation, education and training outcomes. These new incentives could motivate and support residents to realize a higher degree of economic independence. HACSC proposes two parts to the escrow payment: (1) The existing monthly deposit to a participant's escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. (2) Specific dollar amounts, to be established annually, payable to a participant's escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.

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

Self Sufficiency

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

Increased 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 only to selected family types.

Please select the family types subject to this MTW activity:

Other – another specifically defined target population or populations. Please describe this target population:
Participants in the FSS Program

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

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

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 this MTW activity require a hardship policy?

No

Does the hardship policy apply to more than this MTW activity?

No.

Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?

N/A

<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>N/A</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>No</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>N/A</p>
<p><u>10.e. - Policies for Addressing Increases in Family Income:</u></p> <p>How will the MTW agency treat increased earnings for families participating in the FSS Program with MTW flexibility</p> <p>HACSC proposes two parts to the escrow payment:</p> <p>(1) The existing monthly deposit to a participant’s escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. This would be no change to how it is calculated without MTW flexibility.</p> <p>(2) In addition to the standard increases to the escrow account, specific incentive payment amounts, to be established annually, payable to a participant’s escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.</p>

14.a. - Waive Initial HQS Inspection Requirement (HCV)
<p>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.</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>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>Currently assisted households only</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of Permanent Supportive Housing Programs.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers.</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p>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</p> <p>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.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</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. The Agency shall comply with all Safe Harbor provisions including 14.b.iv: Screenings for lifetime sex offender status and convictions of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing must continue and are not waivable.

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.

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.

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

No

14.c.HCV - Aligning Tenant Rents and Utility Payments Between 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, 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.
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. Increased 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.
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 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.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No

17.c. - Housing Development Programs

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 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 tax credit units, or affordable units funded with any other local, state, or federal funds. HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities. 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 1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.

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.

Increased 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

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 provided \$8 million of LNT funding for the construction of a 20-unit affordable housing development called Natural Bridges in Santa Cruz. That development is helping the Housing Authority reach its goal of providing new affordable housing opportunities to program participants in the community. Construction at Natural Bridges was completed in December 2024, and the process of moving tenants in has commenced.

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

No

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 or New Construction	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership or Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability 80% AMI	Number of Units by Affordability 50% AMI	Number of Units by Affordability 30% AMI	Number of Units by Affordability Other
Chanticleer 2021-2031 Chanticleer Ave Santa Cruz, CA 95062	New Construction	TBD	50	50	0	0	0	N/A
Portola 3501 Portola Avenue Santa Cruz CA 95062	Acquisition	TBD	0	0	0	0	0	0

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

Name of Development and Address	MTW Role: Acquisition, Rehabilitation or New Construction	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership or Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability 80% AMI	Number of Units by Affordability 50% AMI	Number of Units by Affordability 30% AMI	Number of Units by Affordability Other
Chanticleer 2021-2031 Chanticleer Ave Santa Cruz, CA 95062	New Construction	TBD	50	50	0	0	0	N/A
Portola 3501 Portola Avenue Santa Cruz CA 95062	Acquisition	TBD	0	0	0	0	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 or New Construction	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership or Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability 80% AMI	Number of Units by Affordability 50% AMI	Number of Units by Affordability 30% AMI	Number of Units by Affordability Other
Natural Bridges Apartments 415 Natural Bridges Drive Santa Cruz, CA 95060	New Construction	Gap Financing or Construction	20	20	0	20	0	0
Chanticleer 2021-2031 Chanticleer Ave Santa Cruz, CA 95062	Acquisition	TBD	50	50				
Portola 3501 Portola Avenue Santa Cruz CA 95062	Acquisition	TBD	0	0	0	0	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 or New Construction	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership or Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability 80% AMI	Number of Units by Affordability 50% AMI	Number of Units by Affordability 30% AMI	Number of Units by Affordability Other
Natural Bridges Apartments 415 Natural Bridges Drive Santa Cruz, CA 95060	New Construction	Gap Financing or Construction	20	20	0	20	0	0
Chanticleer 2021-2031 Chanticleer Ave Santa Cruz, CA 95062	Acquisition	TBD	50	50				
Portola 3501 Portola Avenue Santa Cruz CA 95062	Acquisition	TBD	0	0	0	0	0	0

D.	Safe Harbor Waivers.								
D.1	<p>Will the MTW agency submit a request for approval of a Safe Harbor Waiver this year?</p> <p>No.</p>								
E.	Agency-Specific Waiver(s).								
E.1	<p>Agency-Specific Waiver(s) for HUD Approval:</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>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?</p> <p>Yes.</p> <table border="1" data-bbox="253 1146 1484 1430"> <thead> <tr> <th data-bbox="253 1146 1102 1199">Title</th> <th data-bbox="1102 1146 1484 1199">Supporting Documents Attached</th> </tr> </thead> <tbody> <tr> <td data-bbox="253 1199 1102 1251">E.1.a Independent Entity Requirements for PBV</td> <td data-bbox="1102 1199 1484 1251">2</td> </tr> <tr> <td data-bbox="253 1251 1102 1373">E.1.b Alternative Total Development Cost (TDC) Calculation Methodology</td> <td data-bbox="1102 1251 1484 1373">4</td> </tr> <tr> <td data-bbox="253 1373 1102 1430">E.1.c PBV Subsidy Standards</td> <td data-bbox="1102 1373 1484 1430">2</td> </tr> </tbody> </table>	Title	Supporting Documents Attached	E.1.a Independent Entity Requirements for PBV	2	E.1.b Alternative Total Development Cost (TDC) Calculation Methodology	4	E.1.c PBV Subsidy Standards	2
Title	Supporting Documents Attached								
E.1.a Independent Entity Requirements for PBV	2								
E.1.b Alternative Total Development Cost (TDC) Calculation Methodology	4								
E.1.c PBV Subsidy Standards	2								

E.2	<p>Agency-Specific Waiver(s) for which HUD Approval has been received: Does the MTW agency have any approved Agency-Specific Waivers?</p> <p>Yes:</p> <p>A. <u>Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.</u></p> <p>Has there been a change in how the waiver is being implemented from when it was originally approved?</p> <p style="padding-left: 40px;">Yes.</p> <p>If there has been a change, please provide a description of what has changed.</p> <p style="padding-left: 40px;">HACSC initially implemented as approved, however we revised the waiver effective 7/1/2024 to: For PBV units that also are subject to the requirements of the Low-Income Housing Tax Credit (LIHTC) Program, HACSC proposes to use the TIC form required under the LIHTC Program as verification of the family's income and assets. Owners of PBV units that receive LIHTCs must comply with Federal LIHTC regulations, which are similar to HCV regulations regarding verification of income and assets when determining and recertifying income eligibility of residents. The TIC will only be used as verification of income and assets.</p> <p>This MTW activity applies to:</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Both new admissions and currently assisted households</p>
	<p>B. <u>Extend Zero HAP participation from 180 days to 360 days.</u></p> <p>Has there been a change in how the waiver is being implemented from when it was originally approved?</p> <p style="padding-left: 40px;">No.</p>

F.	Public Housing Operating Subsidy Grant Reporting.			
F.1	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.			
Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
0	0	0	0	N/A

G.	MTW Statutory Requirements.	
G.1	75% Very Low Income – Local, Non-Traditional. 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.	
	Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
	80%-50% Area Median Income	0
	49%-30% Area Median Income	0
	Below 30% Area Median Income	0
	Total Local, Non-Traditional Households	0

*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.

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

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	TOT AL UNIT S	Popu- lation Type	if 'Populatio n Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Access ible (Hearin g/ 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?
	0	0	0	0	0	0	0						

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

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.

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	0

H.	Public Comment
No public comment received. A summary of the public hearing and proof of public notice is attached.	
I.	Evaluations.
No known evaluations.	

IMPACT ANALYSIS

1.o.

1.o. Tenant Rent Policies – Initial Rent Burden (HCV)

Waiver Description: The agency may waive the maximum family share at initial occupancy of 40% of the family's monthly income.

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.

HACSC will waive the maximum family share at initial occupancy of 40% of the family's monthly income. HACSC will not allow the family share at initial occupancy to exceed 50% of the family's monthly income.

Santa Cruz County is currently the most expensive rental market in the nation. HACSC requests this waiver to promote increased housing choice for households, allowing HCV participants more options in their housing search. Implementation of this activity allows participants to look for housing that may be more costly than otherwise permitted under HUD regulations, but it also gives participants the option to live in lower poverty neighborhoods with access to better schools and employment opportunities.

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

Housing Choice

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 activity apply to all family types or only to selected family types?

The MTW activity applies to all family types.

Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).

No changes to the agency's finances. No changes to the agency's per family contributions.

Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)

For families that voluntarily elect to exceed the standard 40% maximum at initial occupancy, their family share may go up to as much as 50% of the family's monthly income.

<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>No change.</p>
<p>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)</p> <p>No change.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No change.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver supports the MTW statutory goal of increasing housing choice.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements.</p> <p>This waiver positively impacts the agency's ability to meet the MTW statutory requirements.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>Not applicable, the agency does not anticipate any hardship due to implementation of this waiver.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>None.</p>
<p>Implementation timeline.</p> <p>Upon HUD approval of the MTW Supplement.</p>
<p>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.</p> <p>None, not applicable, there is no hardship policy needed.</p>

AGENCY SPECIFIC WAIVER

Waiver Title: Independent Entity Requirements for Project-Based Vouchers

Citations/Regulations/Statutes to be Waived:

42 USC 1437f(o)(11)(A), 24 CFR 983.57(b)(1), 983.57(b)(3)-(b)(4), 983.155(b), 983.156(d), 983.157(i), 983.212(c), and 983.301(g)

Waiver Description:

HACSC proposes to waive all remaining Independent Entity requirements in the Project Based Voucher (PBV) Program for PHA-owned unit not included in waivers for Rent Reasonableness (Waiver 2.d.), HQS Inspections (Waiver 5.c.) and Project Selection (Waiver 9.c.).

The Independent Entity functions to be waived under this request include:

(A) initial and annual redetermining rent to owner, including calculating any rent adjustments by an OCAF, where applicable;

(B) accepting evidence of completion of the work for development or substantial improvement activity; and

(C) approving proposals and accepting completion of substantial improvements

HACSC proposes to waive all Independent Entity requirements in the Project Based Voucher (PBV) Program for PHA-owned units, in order to create administrative efficiencies and reduce agency costs. Independent entity functions include determining rent to owner, rent reasonableness, unit inspections, accepting evidence of completion of the work, project selection, and approving and accepting completion of substantial improvements.

The agency already has MTW Authority to waive Independent Entity requirements at PHA-owned properties for Rent Reasonableness (Waiver 2.d.), HQS Inspections (Waiver 5.c.) and Project Selection (Waiver 9.c.).

This waiver request is to waive all remaining Independent Entity functions, empowering HACSC staff to perform all functions previously required to be performed by an Independent Entity. This will streamline and simplify the administrative functions relating to PHA-owned units.

Implementation of this waiver will result in cost effectiveness and decreased expenditures.

IMPACT ANALYSIS

E.1 Agency Specific Waiver Title: Independent Entity Requirements for Project Based Vouchers

Citations/Regulations/Statutes to be Waived:

42 USC 1437f(o)(11)(A), 24 CFR 983.57(b)(1), 983.57(b)(3)-(b)(4), 983.155(b), 983.156(d), 983.157(i), 983.212(c), and 983.301(g)

Waiver Description:

HACSC proposes to waive all remaining Independent Entity requirements in the Project Based Voucher (PBV) Program for PHA-owned unit not included in waivers for Rent Reasonableness (Waiver 2.d.), HQS Inspections (Waiver 5.c.) and Project Selection (Waiver 9.c.).

The Independent Entity functions to be waived under this request include:

- (A) initial and annual redetermining rent to owner, including calculating any rent adjustments by an OCAF, where applicable;
- (B) accepting evidence of completion of the work for development or substantial improvement activity; and
- (C) approving proposals and accepting completion of substantial improvements

HACSC proposes to waive all Independent Entity requirements in the Project Based Voucher (PBV) Program for PHA-owned units, in order to create administrative efficiencies and reduce agency costs. Independent entity functions include determining rent to owner, rent reasonableness, unit inspections, accepting evidence of completion of the work, project selection, and approving and accepting completion of substantial improvements.

The agency already has MTW Authority to waive Independent Entity requirements at PHA-owned properties for Rent Reasonableness (Waiver 2.d.), HQS Inspections (Waiver 5.c.) and Project Selection (Waiver 9.c.).

This waiver request is to waive all remaining Independent Entity functions, empowering HACSC staff to perform all functions previously required to be performed by an Independent Entity. This will streamline and simplify the administrative functions relating to PHA-owned units.

Implementation of this waiver will result in cost effectiveness and decreased expenditures.

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

Cost effectiveness

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.

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?

New admissions and currently assisted households

<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>All family types.</p>
<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>Positive impact on the agency's finance as there will no longer be a need to pay for independent entity services. No changes to the agency's per family contributions.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>This MTW activity would not impact housing costs for families.</p>
<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>This MTW activity would not impact the agency's waitlist.</p>
<p>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)</p> <p>This MTW activity would not impact the termination rate of families.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>This MTW activity would not impact the utilization rate in the HCV Program</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This MTW activity would support the goal of cost effectiveness through streamlining administrative operations relating to the PBV Program.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This MTW activity would positively impact the agency's ability to meet the statutory requirements.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>This MTW activity does not require a hardship policy.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>None</p>
<p>Implementation timeline.</p> <p>Upon approval of the MTW Supplement.</p>
<p>Description of a hardship policy, if needed.</p> <p>This MTW activity does not require a hardship policy.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>None</p>

Agency-Specific Waiver

E.1 Agency Specific Waiver Title: Alternative Total Development Cost (TDC) Calculation Methodology

Regulation to Waive: 24 CFR 905.314(c)-905.314(e) & Section 6(b) of the 1937 Act

HACSC is seeking to waive 24 CFR 905.314(c)-905.314(e) & Section 6(b) of the 1937 Act with an “Alternative TDC Calculation Methodology” activity through an Agency-Specific Waiver. This request will enable the agency to use the state low-income housing tax credit agency, California Tax Credit Allocation Committee (CTCAC), Threshold Basis Limits (TBL) to establish an alternative to HUD’s TDC and Housing Construction Cost (HCC) limits. To reflect the actual costs of construction in Santa Cruz County, HACSC proposes a single TDC (by bedroom size) for all building and unit types (elevator, walkup, rowhouse, detached, etc.) without a separate HCC. Each year, HACSC will use the most recently established CTCAC TBLs for the appropriate CTCAC assigned region where the project is located to substitute for HUD’s TDC and HCC limits for affordable housing development. If a proposed project’s cost exceeds the applicable TBL, the HACSC must follow HUD’s TDC waiver process to justify and evaluate those costs on a project specific basis.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

Cost Implications

- Cost neutral

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?

- The MTW activity applies only to all assisted families

If previous question is a subset.

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?

- New admissions and currently assisted households

If waiver doesn’t apply to all assisted households:

Family Types. 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 agency need a Safe Harbor Waiver to implement this MTW activity as described?

- No

Does this MTW activity require a Hardship Policy:

- No

Does the MTW activity require an impact analysis?

- Yes

Does the impact analysis apply to more than this MTW activity?

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.

N/A

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.

No public comments received.

E.1 Agency-Specific Waiver Title– Alternative Total Development Cost (TDC) Calculation Methodology

Regulations to Waive: 24 CFR 905.314(c)-905.314(e) & Section 6(b) of the 1937 Act

HACSC is seeking to waive 24 CFR 905.314(c)-905.314(e) & Section 6(b) of the 1937 Act with an “Alternative TDC Calculation Methodology” activity through an Agency-Specific Waiver. This request will enable the agency to use the state low-income housing tax credit agency, California Tax Credit Allocation Committee (CTCAC), Threshold Basis Limits (TBL) to establish an alternative to HUD’s TDC and Housing Construction Cost (HCC) limits. To reflect the actual costs of construction in Santa Cruz County, HACSC proposes a single TDC (by bedroom size) for all building and unit types (elevator, walkup, rowhouse, detached, etc.) without a separate HCC. Each year, HACSC will use the most recently established CTCAC TBLs for the appropriate CTCAC assigned region where the project is located to substitute for HUD’s TDC and HCC limits for affordable housing development. If a proposed project’s cost exceeds the applicable TBL, the HACSC must follow HUD’s TDC waiver process to justify and evaluate those costs on a project specific basis.

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

- Cost effectiveness.
- Housing Choice

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

The waiver applies to all assisted households.

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

This waiver applies to all family types.

Impact on the agency’s finances (e.g., how much will the activity cost, and any change in the agency’s per family contributions).

HACSC anticipates that the use of MTW funds applied to development projects through an alternative TDC methodology will be cost neutral as these funds will be returned to HACSC during the project lifecycle through a combination of sources, which includes fees and rental income.

Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)

HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs.

Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist);

HACSC anticipates that this proposed waiver will reduce the amount of time families wait on the waiting list through additional affordable housing development, making more housing available sooner.

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)

HACSC anticipates that this proposed waiver will not impact the agency’s termination rate of families.

Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program

HACSC anticipates that this proposed waiver will not impact the agency’s current utilization rate in the HCV Program.

Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice

This proposed waiver will support the MTW statutory goal of housing choice by providing additional affordable housing units through increased development activity and support cost effectiveness due to the ability to build affordable housing quicker.

Impact on the agency’s ability to meet the MTW statutory requirements

HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.

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

Given that this waiver would benefit assisted households, the HACSC does not anticipate any hardship requests resulting from this waiver.

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

HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.

Implementation timeline.

HACSC will implement this initiative upon approval from HUD.

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.

Given that this waiver would benefit the impacted families, HACSC does not anticipate any hardship requests resulting from this waiver.

AGENCY SPECIFIC WAIVER

E.1.c

Agency Specific Waiver Title: Establish Alternative Subsidy Standards Schedule for Project-Based Voucher Units

Citations/Regulations/Statutes to be Waived: 42 USC § 1437a(b)(3)(A), 24 CFR 982.402(b)(3), and 983.260

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.

HACSC proposes an alternative subsidy standard schedule for all PBV units. In the tenant-based HCV Program, the subsidy standards determine the voucher size for the family and help to inform the applicable payment standard used in the rent calculation. In the PBV Program they determine the appropriate unit size, but they do not impact the rent calculation as most PBV participants simply pay their TTP regardless of the unit size they occupy or the amount of rent to owner.

HACSC proposes to establish an alternative subsidy standards schedule for PBV units that better aligns with occupancy standards of the affordable housing industry. An example of an alternative schedule, which shall be established annually in the HCV Administrative Plan, is below:

Unit Size	Minimum Family Size	Maximum Family Size
1-bedroom	1 person	3 persons
2-bedrooms	2 persons	5 persons
3-bedrooms	3 persons	7 persons

HACSC fills standard PBV vacancies with the following method: For a given PBV vacancy, HACSC conducts outreach to the HCV Waiting List or PBV site-based waiting list and selects families to apply. Interested families apply to the property directly and the owner processes families in accordance with the requirements of the tenant selection plan. Owner-approved applicants are referred back to HACSC and the owner indicates which vacant PBV unit the applicant has chosen and/or been assigned to. HACSC processes the owner-approved applicant for PBV eligibility, during which HACSC will confirm eligibility in accordance with the HACSC subsidy standards. Owners are encouraged to ensure families meet the subsidy standards while performing their own eligibility determinations, before sending an owner-approved applicant to HACSC.

The existing requirements result in difficulty filling larger units and has caused unnecessary displacement of existing households since the required use of HCV subsidy standards is overly rigid.

Upon approval of an alternative subsidy standard, HACSC shall ensure the policy does not result in overcrowding and will still permit families to transfer to tenant-based assistance after they have met all the applicable criteria, such as the one-year assistance requirement.

If the family becomes over-housed or underhoused based on the alternative subsidy standard schedule, HACSC will follow the regulations for occupancy of a “wrong-sized” unit pursuant to 24 CFR 983.260.

Typically, affordable housing utilizes occupancy standards, which are a range. Occupancy standards ensure that units are not overcrowded and that families are not severely over housed, but are also designed to give families more flexibility in the unit types that they are able to rent. This contrasts with the subsidy standards, which is a fixed number and is more restrictive. Since the subsidy standards must be consistent for both the HCV and PBV Programs, this creates difficulties in filling PBV units and reduces housing choice for families, since families are only able to occupy the exact PBV unit size as determined by the subsidy standards. However, HCV families may choose to rent a larger or smaller unit than their voucher size.

This activity will support HACSC's ability to stably house families, improve housing choice, and improve PBV utilization in the following ways:

New Admissions

The average household size of families on HACSC's HCV Waiting List is approximately 2.35 persons, meaning that it can be difficult to fill larger-sized PBV units (such as 3- or 4-bedroom units) as the restrictive subsidy standards limit the eligible pool of families that can be selected for such units. By establishing an alternative subsidy standard schedule for PBVs as a range, families will be eligible for a unit if their family size aligns with any value within that range. This may expand the eligible pool of families for any given unit, which may reduce the length of vacancies, and increase the number of housing opportunities that families are eligible to apply for.

Existing Participants

Additionally, the more restrictive existing subsidy standards strains current PBV participants since if they change their family size or composition and their new family size or composition exceeds or drops below the subsidy standard for the unit size that they occupy, current regulations require them to vacate the PBV unit. Therefore, families that wish to change their family size or composition may be unable to do so for fear of jeopardizing their housing stability.

By establishing the subsidy standards as a range, families will continue to occupy a "right-sized" unit if their family size aligns with any value within that range. Therefore, there will be more opportunities for families to add or remove family members without disrupting their housing.

This MTW activity serves the following statutory objectives:

Housing Choice

Cost Implications

Neutral (no cost implications)

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

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

If previous question is a subset.

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?

New admissions and currently assisted households

If waiver doesn't apply to all assisted households:

Family Types. Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types.

If not all assisted households are selected.

<p>For HCV activities:</p> <p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to all properties with project-based vouchers</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No</p>
<p>Does this MTW activity require a Hardship Policy: No</p>
<p>Does the MTW activity require an impact analysis? Yes</p>
<p>Does the impact analysis apply to more than this MTW activity? No</p>
<p>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</p>
<p>Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered. No public comment received.</p>

IMPACT ANALYSIS

E.1.c

Agency Specific Waiver Title: Establish Alternative Subsidy Standards Schedule for Project Based Voucher Units

Citations/Regulations/Statutes to be Waived: 42 USC § 1437a(b)(3)(A), 24 CFR 982.402(b)(3), and 983.260

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.

HACSC proposes an alternative subsidy standard schedule for all PBV units. In the tenant-based HCV Program, the subsidy standards determine the voucher size for the family and help to inform the applicable payment standard used in the rent calculation. In the PBV Program they determine the appropriate unit size, but they do not impact the rent calculation as most PBV participants simply pay their TTP regardless of the unit size they occupy or the amount of rent to owner.

HACSC proposes to establish an alternative subsidy standards schedule for PBV units that better aligns with occupancy standards of the affordable housing industry. An example of an alternative schedule, which shall be established annually in the HCV Administrative Plan, is below:

Unit Size	Minimum Family Size	Maximum Family Size
1-bedroom	1 person	3 persons
2-bedrooms	2 persons	5 persons
3-bedrooms	3 persons	7 persons

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The existing requirements result in difficulty filling larger units and has caused unnecessary displacement of existing households since the required use of HCV subsidy standards is overly rigid.

Upon approval of an alternative subsidy standard, HACSC shall ensure the policy does not result in overcrowding and will still permit families to transfer to tenant-based assistance after they have met all the applicable criteria, such as the one-year assistance requirement.

If the family becomes over-housed or underhoused based on the alternative subsidy standard schedule, HACSC will follow the regulations for occupancy of a "wrong-sized" unit pursuant to 24 CFR 983.260.

Typically, affordable housing utilizes occupancy standards, which are a range. Occupancy standards ensure that units are not overcrowded and that families are not severely over housed but are also designed to give families more flexibility in the unit types that they are able to rent. This contrasts with the subsidy standards, which is a fixed number and is more restrictive. Since the subsidy standards must be consistent for both the HCV and PBV Programs, this creates

difficulties in filling PBV units and reduces housing choice for families, since families are only able to occupy the exact PBV unit size as determined by the subsidy standards. However, HCV families may choose to rent a larger or smaller unit than their voucher size.

This activity will support HACSC's ability to stably house families, improve housing choice, and improve PBV utilization in the following ways:

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Additionally, the more restrictive existing subsidy standards strains current PBV participants since if they change their family size or composition and their new family size or composition exceeds or drops below the subsidy standard for the unit size that they occupy, current regulations require them to vacate the PBV unit. Therefore, families that wish to change their family size or composition may be unable to do so for fear of jeopardizing their housing stability.

By establishing the subsidy standards as a range, families will continue to occupy a "right-sized" unit if their family size aligns with any value within that range. Therefore, there will be more opportunities for families to add or remove family members without disrupting their housing.

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

Housing Choice

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 a subset or subsets of assisted households.

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

This MTW activity applies to all family types.

Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).

No change to agency's finances. No change to agency's per family contributions.

Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)

No change in housing costs for families.

Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)

This MTW activity may reduce the amount of time that families are on the waiting list as this will expand the number of PBV units that a family may be eligible for.

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)

<p>This MTW activity may reduce the termination rate of families because it will allow families more flexibility to live in PBV units and changing their family size or composition may no longer result in them needing to vacate a PBV unit.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program This MTW activity is anticipated to improve the utilization rate of PBV units by expanding the pool of eligible families.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice This MTW activity improves housing choice.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements This MTW activity positively impacts the agency's ability to meet the MTW statutory requirements.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity. The agency anticipates that there will be no hardships associated with this waiver.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact). None.</p>
<p>Implementation timeline. Upon approval of the MTW Supplement.</p>
<p>Description of a hardship policy, if needed. The agency anticipates that there will be no hardships associated with this waiver.</p>