PHA Name : Hawaii Public Housing Authority

PHA Code : HI001 MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 7/1/2022 PHA Program Type: Combined MTW Cohort Number: Landlord Incentives MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

The vision for the Moving to Work (MTW) designation is to become a more proactive, innovative agency that identifies, develops, and implements housing policies that address local needs; increases self-sufficiency outcomes for participants; provides greater mobility and access to housing options; and promotes efficiency and efficacy throughout service delivery and operations.

MTW participation will allow HPHA to better adapt to change and develop local solutions to address unmet housing needs, economic self-sufficiency, and program cost effectiveness. The HPHA plans to implement the five proposed MTW activities submitted in its amended FY2022-2023 MTW Supplement to the PHA Plan. These initiatives will allow HPHA to provide landlord incentives, waive initial unit inspections, and engage in housing development programs.

These activities include four landlord incentive programs that will encourage landlord involvement through monetary and efficiency incentives. Increased landlord participation and retention will improve the overall cost effectiveness of the HCV program.

Front-End Vacancy Loss payments: This cohort-specific waiver activity would allow the HPHA to provide financial incentives to landlords to cover the cost of an unoccupied unit where the landlord has a history of renting to an HCV participant, but the unit was not previously occupied by an HCV tenant. Eligible landlords would receive a financial incentive equal to one month's rent if a vacancy occurred between tenants. The HPHA believes this incentive could encourage former landlords to return to the HCV program, increase housing options, and decrease average participant search times.
Vacancy Loss Payments: This activity would allow the HPHA to provide financial incentives to a landlord for their continued participation in the program. Eligible landlords would receive a financial incentive equal to one month's rent for the time that a unit was vacant between HCV tenants. The HPHA believes this incentive could improve the agency's ability to incentivize landlords to remain in the HCV program, increase housing options, and decrease average participant search times.
Other Landlord Incentives: This activity would allow HPHA to provide financial incentives to recruit new landlords to join the HCV program (i.e., "signing bonuses"). The HPHA would provide an incentive payment equal to one month's rent for new landlords who leased properties in "high opportunity areas" or in "areas located where vouchers are difficult to use". The HPHA will initially define these terms broadly, but eligibility criteria may evolve based on testing results. The HPHA believes this incentive could improve the agency's ability to recruit landlords to the HCV program, increase housing options, and decrease average participant search times.

• Waiver of Mandatory Initial Inspections: This cohort-specific waiver activity would allow HPHA to eliminate the requirement of initial inspections and decrease the time it takes to lease-up families into new units. The HPHA would waive initial inspections for units that 1) were less than five years old, 2) had recently passed an HQS or equivalent inspection within the previous three years, or 3) were located in a census tract with a poverty rate below ten percent provided the landlord certified that their unit is free from any life-threatening deficiencies. The HPHA believe this incentive could shorten the time it takes a participant to move into a unit, improve landlord recruitment to the HCV program, increase housing options, and decrease average participant search times.

C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).

| | 1000/1 |
|---|--|
| 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 |
| I. Fixed Subsidy (HCV) | Not Currently Implemented |
| m. Utility Reimbursements (PH) | Not Currently Implemented |
| n. Utility Reimbursements (HCV) | Not Currently Implemented |
| o. Initial Rent Burden (HCV) | Not Currently Implemented |
| p. Imputed Income (PH) | Not Currently Implemented |
| q. Imputed Income (HCV) | Not Currently Implemented |
| r. Elimination of Deduction(s) (PH) | Not Currently Implemented |
| s. Elimination of Deduction(s) (HCV) | Not Currently Implemented |
| t. Standard Deductions (PH) | Not Currently Implemented |
| u. Standard Deductions (HCV) | Not Currently Implemented |
| v. Alternative Income Inclusions/Exclusions (PH) | Not Currently Implemented |
| 2. Payment Standards and Rent Reasonableness | |
| a. Payment Standards- Small Area Fair Market Rents (HCV) | Not Currently Implemented |
| b. Payment Standards- Fair Market Rents (HCV) | Not Currently Implemented |
| c. Rent Reasonableness – Process (HCV) | Not Currently Implemented |
| d. Rent Reasonableness – Third-Party Requirement (HCV) | Not Currently Implemented |
| 3. Reexaminations | |
| | Not Questill Inclusion to I |
| a. Alternative Reexamination Schedule for Households (PH) | Not Currently Implemented |
| b. Alternative Reexamination Schedule for Households (HCV) | Not Currently Implemented |
| c. Self-Certification of Assets (PH) | Not Currently Implemented |
| d. Self-Certification of Assets (HCV) | Not Currently Implemented |
| 4. Landlord Leasing Incentives | |
| a. Vacancy Loss (HCV-Tenant-based Assistance) | Plan to Implement in the Submission Year |
| b. Damage Claims (HCV-Tenant-based Assistance) | Not Currently Implemented |
| c. Other Landlord Incentives (HCV- Tenant-based Assistance) | Plan to Implement in the Submission Year |
| 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) | Not Currently Implemented |
| d. Alternative Inspection Schedule (HCV) | Not Currently Implemented |
| 6. Short-Term Assistance | |
| a. Short-Term Assistance (PH) | Not Currently Implemented |
| b. Short-Term Assistance (HCV) | Not Currently Implemented |
| 7. Term-Limited Assistance | |
| | Net Currently Implements d |
| 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) | Not Currently Implemented |
| b. Increase PBV Project Cap (HCV) | Not Currently Implemented |
| c. Elimination of PBV Selection Process for PHA-owned | |
| Projects Without Improvement, Development, or | Not Currently Implemented |
| Replacement (HCV) | |
| d. Alternative PBV Selection Process (HCV) | Not Currently Implemented |
| e. Alternative PBV Unit Types (Shared Housing and | |
| Manufactured Housing) (HCV) | Not Currently Implemented |
| f. Increase PBV HAP Contract Length (HCV) | Not Currently Implemented |
| g. Increase PBV Rent to Owner (HCV) | Not Currently Implemented |
| h. Limit Portability for PBV Units (HCV) | Not Currently Implemented |
| 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) | Not Currently Implemented |
| e.PH Policies for Addressing Increases in Family Income | Net Quesette les la secte l |
| (PH) | Not Currently Implemented |
| e.HCV Policies for Addressing Increases in Family Income | Net Oursenthy lean lane ante d |
| (HCV) | Not Currently Implemented |
| 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 |
| b.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 F | |
| Use of Public Housing as an Incentive for Economic | |
| Progress (PH) | Not Currently Implemented |
| 14. Moving on Policy | |
| | Not Currently Implemented |
| a. Waive Initial HQS Inspection Requirement (HCV) | Not Currently Implemented |
| b.PH Allow Income Calculations from Partner Agencies (PH) | Not Currently Implemented |
| b.HCV Allow Income Calculations from Partner Agencies (HCV) | Not Currently Implemented |
| | |
| c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH) | Not Currently Implemented |
| c.HCV Aligning Tenant Rents and Utility Payments Between | |
| Partner Agencies (HCV) | Not Currently Implemented |
| 15. Acquisition without Prior HUD Approval (PH) | |
| Acquisition without Prior HUD Approval (PH) | Not Currently Implemented |
| 16. Deconcentration of Poverty in Public Housing Policy | |
| | |
| Deconcentration of Poverty in Public Housing Policy (PH) | Not Currently Implemented |
| 17. Local, Non-Traditional Activities | Net Consertly Incloses (1) |
| a. Rental Subsidy Programs | Not Currently Implemented |
| b. Service Provision | Not Currently Implemented |
| c. Housing Development Programs | Not Currently Implemented |

C. MTW Activities Plan that Hawaii Public Housing Authority Plans to Implement in the Submission Year or Is Currently Implementing

4.a. - Vacancy Loss (HCV-Tenant-based Assistance) 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 Vacancy-loss activity would allow the HPHA to provide financial incentives to a landlord for their continued participation in the program. The overall goal of the activity is to maintain, as well as increase, landlord participation. Eligible landlords would receive a financial incentive equal to one month's rent for the time that a unit was vacant between HCV tenants. The HPHA believes this incentive could improve the agency's ability to incentivize landlords to remain in the HCV program, increase housing options, and decrease average participant search times. 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? 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 all tenant-based units 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. New to the program Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program? Certain types of units only What is the maximum payment that can be made to a landlord under this policy? The landlord may not receive more than an amount equal to one month's rent for the unit. There is no cap on how many times the landlord may gualify and receive the payment, so long is the unit is rented to an HPHA HCV tenant immediately following the vacancy of another HPHA HCV tenant.

How many payments were issued under this policy in the most recently completed PHA fiscal year?

0

What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?

\$0

4.c. - Other Landlord Incentives (HCV- Tenant-based Assistance)

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

This activity would allow HPHA to provide financial incentives to recruit new landlords to join the HCV program (i.e., "signing bonuses"). The goal of this activity is to increase new units enrolled into the HCV program. The HPHA would provide an incentive payment equal to one month's rent for new landlords who leased properties in "high opportunity areas" or in "areas located where vouchers are difficult to use". There would be no cap for how many new units one particular landlord can enroll into the program. The HPHA will initially define these terms broadly, but eligibility criteria may evolve based on testing results. The HPHA believes this incentive could improve the agency's ability to recruit landlords to

the HCV program, increase housing options, and decrease average participant search times.

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?

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 all tenant-based units

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. New to the MTW Demonstration

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

No

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

Certain types of units only

What is the maximum payment that can be made to a landlord under this policy? Payments will not exceed one months rent. A landlord will only qualify for this payment once per unit rented to an HPHA

HCV participant for the first time.

How many payments were issued under this policy in the most recently completed PHA fiscal year?

0

What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?

\$0

| D. | Safe Harbor Waivers. |
|-----|--|
| DA | Will the MTW agency submit request for approval of a Safe Harbor Waiver this year? |
| D.1 | No Safe Harbor Waivers are being requested. |

| E. | Agency-Specific Waiver(s). |
|-----|--|
| | Agency-Specific Waiver(s) for HUD Approval: |
| | 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. |
| | 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. |
| E.1 | 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. |
| | Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year? |
| | No Agency-Specific Waivers are being requested. |
| | Agency-Specific Waiver(s) for which HUD Approval has been Received: |
| E.2 | Does the MTW agency have any approved Agency-Specific Waivers? |
| | MTW Agency does not have approved Agency-Specific Waivers |

| 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 |
|------------------------------|---|---|--------------------------------|------------|
| 2021 | \$29,585,170 | \$29,585,170 | | 2029-09-30 |
| 2022 | \$27,406,287 | \$21,406,287 | \$5,962,561 | 2030-09-30 |

G.

MTW Statutory Requirements.

75% Very Low Income – Local, Non-Traditional.

G.1 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.

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. | | | |
|---|--|--|--|--|
| The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year. | 0 # of unit months | | | |
| 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 # of unit months | | | |

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

| PROPERTY NAME/ ADDRESS | IRP | 2 BR | 3 BR | 4 BR | 5 BR | 6+ BR | TOTAL UNITS | POPULATION TYPE* | Type' is Other | # of Section 504 Accessible (Mobility)** | , J. | 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? |
|------------------------------|-----|---------|---------|---------|---------|----------|----------------|---------------------|-------------------|--|------|--|---|
|------------------------------|-----|---------|---------|---------|---------|----------|----------------|---------------------|-------------------|--|------|--|---|

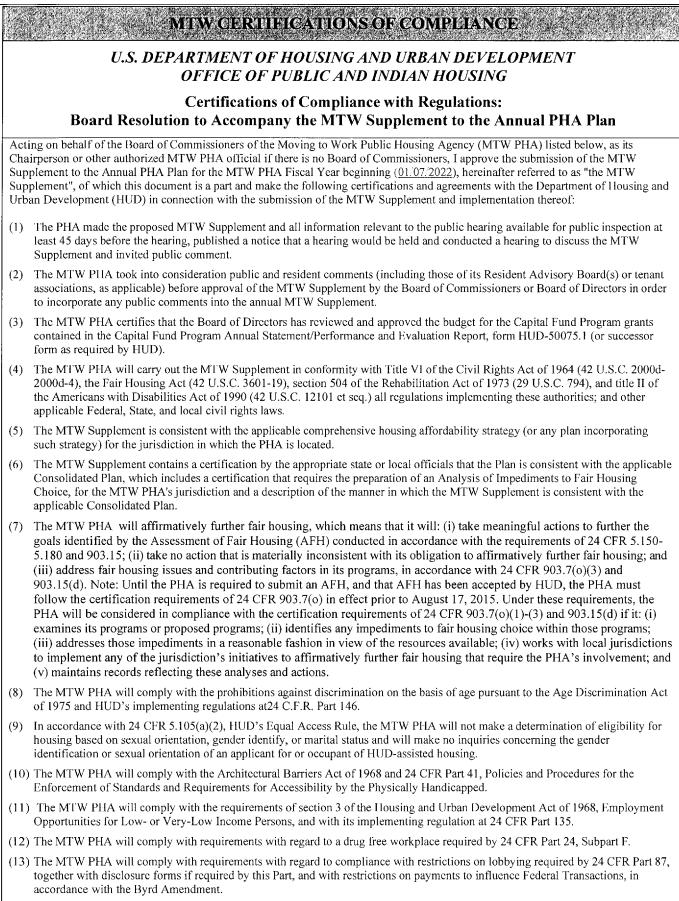
| G.4 | Comparable Mix (by Family Size) – Local, Non-Traditional. |
|-----|---|
|-----|---|

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 |

| н. | Public Comment | | | |
|---|----------------|--|--|--|
| Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments. | | | | |
| L | Evaluations. | | | |

No known evaluations.



(14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

| | Expires: 03/31/20 | | | | |
|--|---|--|--|--|--|
| (15) The MTW PHA will take appropriate affirmative action to aw CFR 5.105(a). | ard contracts to minority and women's business enterprises under 24 | | | | |
| 16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request. | | | | | |
| 7) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act. | | | | | |
| (18) The MTW PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine compliance with program requirements. | | | | | |
| (19) The MTW PHA will comply with the Lead-Based Paint Poison | ning Prevention Act and 24 CFR Part 35. | | | | |
| (20) The MTW PHA will comply with the policies, guidelines, and | requirements of 2 CFR Part 200. | | | | |
| (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of housing quality standards as required in PIH Notice 2011-45, or successor notice, for any local, non-traditional program units. The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982, for any Housing Choice Voucher units under administration. | | | | | |
| (22) The MTW PHA will undertake only activities and programs covered by the Moving to Work Operations Notice in a manner consistent with its MTW Supplement and will utilize covered grant funds only for activities that are approvable under the Moving to Work Operations Notice and included in its MTW Supplement. MTW Waivers activities being implemented by the agency must fall within the safe harbors outlined in Appendix I of the Moving to Work Operations Notice and/or HUD approved Agency-Specific or Safe Harbor Waivers. | | | | | |
| (23) All attachments to the MTW Supplement have been and will continue to be available at all times and all locations that the MTW Supplement is available for public inspection. All required supporting documents have been made available for public inspection along with the MTW Supplement and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its MTW Supplement and will continue to be made available at least at the primary business office of the MTW PHA. | | | | | |
| Hawaii Public Housing Authority MTW PHA NAME I hereby certify that all the information stated herein, as we | | | | | |
| herewith, is true and accurate. Warning: HUD will prosecu criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 101) | | | | | |
| Hakim Ouansafi | Executive Director | | | | |
| NAME OF AUTHORIZED OFFICIAL | TITLE | | | | |
| Hunder | DEC - 7 2022 | | | | |
| SIGNATURE | DATE | | | | |
| * Must be signed by either the Chairperson or Secretary of the be signed by an employee unless authorized by the MTW PH or Secretary, documentation such as the by-laws or authorizi | Board of the MTW PHA's legislative body. This certification cannot IA Board to do so. If this document is not signed by the Chairperson ing board resolution must accompany this certification. | | | | |

Hawaii Public Housing Authority

Hardship Policy

MTW Hardship Policy

If HPHA verifies a financial impact or other reduction in benefit, the family may request a hardship review. HPHA staff will review and assess whether the hardship is the result of a personal circumstance of the family (ex: new employment, additional household member), or if the hardship is due to an MTW activity being instituted. If the hardship is due to a MTW activity, HPHA may provide an extension to address the concern. If the hardship is the result of personal circumstances, the PHA's general hardship policies will apply.

General HPHA Hardship Policy

If HPHA verifies an upcoming increase or decrease in income will take effect, the family may present information that demonstrates that implementing a change before its effective date, would create a hardship for the family. In such cases, HPHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the PHA's policy does not require interim reexaminations for other types of changes.

If HPHA establishes a minimum rent greater than zero, HPHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If HPHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

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

PHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

PHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

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

PHA Policy

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

(5) The family has experienced other circumstances determined by the PHA.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

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

PHA Policy

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

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

| Example: Impact of Minimum Rent Exemption | | | | | | |
|--|---|------------------------------|---|--|--|--|
| Assume the PHA has established a minimum rent of \$35. | | | | | | |
| Family Share – No Hardship | | Family Share – With Hardship | | | | |
| \$0 \$15 | 30% of monthly adjusted income | \$0 \$15 | 30% of monthly adjusted income | | | |
| N/A \$35 | 10% of monthly gross income Welfare rent | \$35 | 10% of monthly gross income Welfare rent | | | |
| φυυ | Minimum rent | ψυυ | Minimum rent | | | |
| | Minimum rent applies. | Ha | ardship exemption granted. | | | |
| | TTP = \$35 | | TTP = \$15 | | | |

PHA Policy

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

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

No Financial Hardship

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

PHA Policy

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

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

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

PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in the program administration section of its plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

PHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

Cohort 4.1. Waiver of Mandatory Initial Inspections:

This activity would allow HPHA to eliminate the requirement of initial inspections for specific types of units and decrease the time it takes to lease-up families into new units. The overall goal of the activity is to increase landlord participation and house families faster. The HPHA would waive initial inspections for units that 1) were less than five years old, 2) had recently passed an HQS or equivalent inspection within the previous three years, or 3) are located in a census tract with a poverty rate below ten percent. Landlords with qualifying units would be required to certify that their unit is free from any life-threatening deficiencies in order to receive the waiver. The qualifying unit would be inspected within the first four months of the lease being signed and would thereafter retain regular inspections according to the agency's schedule. The HPHA believe this incentive could shorten the time it takes a participant to move into a unit, improve landlord recruitment to the HCV program, increase housing options, and decrease average participant search times.

This activity would apply to new admissions and currently assisted households.

Cohort 4.2. Front-End Vacancy Loss payments (HCV-Tenant-based Assistance):

This activity would allow the HPHA to provide financial incentives to landlords to cover the cost of an unoccupied unit where the landlord has a history of renting to an HCV participant, but the unit was not immediately occupied by an HCV tenant. The overall goal of the activity is to increase landlord participation by encouraging former landlords to return to the HCV program and re-rent their units to HPHA HCV participants. Eligible landlords would receive a financial incentive equal to one month's rent if a vacancy occurred between tenants. A landlord would be eligible to receive this payment one-time per unit, if there is a history of the unit being rented to an HCV participant in the past, but the immediate prior renter was not part of the HPHA HCV program. The HPHA believes this incentive could encourage former landlords to return to the HCV program, increase housing options, and decrease average participant search times.

This activity would apply to new admissions and currently assisted households.



SUMMARY OF PUBLIC COMMENTS

Public comments on the FY 2022-2023 Draft MTW Supplement of the PHA Plan were received following public meetings held online on August 9, 23, 25, 30, 2022 and September 7, 2022. Additional public meetings for an Agency-Specific waiver were held on August 30 and September 7, 2022. The Public Hearing was held on December 5, 2022. The following is a summary of testimony on provisions of the draft PHA Plans.

Vacancy loss payments (Cohort 4.2, Operations Notice 4.a)

One person provided oral comments asking if the vacancy payments can be applied retroactively. The individual expressed that they currently have a unit that is vacant and waiting for an inspection.

One person provided oral comments asking if the landlord could request a vacancy loss payment now for a unit that will become vacant in late 2023.

One person provided oral comments asking if the landlord incentives can be applied to participants with Special Purpose Vouchers (SPV).

One person provided oral comments asking how landlords who have never rented to a Section 8 tenant before finding out about these new programs.

Other Landlord Incentives (Operations Notice 4.c)

One person provided oral comments asking if the incentives are only for new tenants.

One person provided oral comments asking if the signing bonus or vacancy loss payment conflict with the state landlord-tenant code. The person expressed concern that landlords are currently not able to receive as a security deposit any amount in excess of one month's rent.

One person provided oral comments asking if the signing bonus or vacancy loss payment will be given to the owner or managing agent.

One person provided oral comments asking if additional funding was allocated by HUD to manage any new incentives and added program requirements.

One person provided oral comments requesting clarification between the signing bonus and vacancy loss payment incentives.



Waiver of Mandatory Initial Inception (Cohort 4.1)

Three people provided oral comments asking if more staff will be hired for inspections.

One person provided oral comments asking if HPHA plans to change other features of the HCV program, such as inspection requirements.

One person provided oral comments stating that the passing of Act 287 at the State Legislature required inspections to be completed within fifteen days after receiving an inspection request. The testifier asked if this will be an issue.

One person provided oral comments expressing concern about the Initial Inspection Flexibility allowance for units located in low poverty areas. The commentor was concerned that allowing waivers of units in these areas would incentivize landlords to not take care of their unit.

One person provided oral comments asking if other conditions should be attached to units in low poverty neighborhoods.

Agency-Specific Waiver – Alternative Accommodation Transfer

One person provided oral comments asking if the agency-specific waiver or other potential waivers would make it harder to port-out or, in some instances, completely restrict participants from porting, except for certain cases. The commentor stated that they were aware of other MTW Agencies enforcing stricter port-out rules.

One person provided oral comments asking if HPHA would consider a transfer program that would allow Section 8 participants to move into Public Housing. The allowable income limit is higher in Public Housing. A family that has too high of an income for Section 8 could find a transition option useful so as to not be cut off from housing assistance completely.

One person commented that they were concerned there would be certain instances in which a disabled family in public housing would not be able to receive a voucher under the proposed Alternative Accommodations Transfer Program. Specifically, the testifier said that if a family had previously received an approved alternative accommodation but had not been able to move because there were no suitable units available that the family would not be able to qualify for this program. The testifier then raised a second concern that more families that do not fall into certain preference categories should also be able to receive a vouchers.

Other Comments



One person commented that incentive payments should be provided for vacating tenants to leave their unit in good condition.

Multiple people commented on the Rent Reasonable and Affordability procedures for new move-ins. As the program works, landlords are sometimes asked to accept a monthly amount that is lower than a comparable rent.

Multiple people commented that initiatives provided to assist and recruit landlords will not be sufficient to alleviate the issues within the program or incentivize new landlords. The commenters addressed multiple issues they have with the administration of the program, including staff response times and loss of rental income due to the rent reasonable and affordability requirements.

One person provided oral comments asking if administrative rules for the landlord incentive programs have to be established, and if so, when those rules are expected to be approved and the programs to be in effect.

Two people provided oral comments asking there are any MTW programs to assist Section 8 tenants to get off the program or to provide training or work services, such as the Hawaii Division of Vocational Rehabilitation (DVR).

One person provided oral comments asking if HPHA was planning any MTW-related activities that will help with staff responsiveness for questions and concerns.



AGENCY ANALYSIS OF PUBLIC COMMENTS

Public comments on the FY 2022-2023 Draft MTW Supplement of the PHA Plan were received following public meetings held online on August 9, 23, 25, 30, 2022 and September 7, 2022. Additional public meetings for an Agency-Specific waiver were held on August 30 and September 7, 2022. The Public Hearing was held on December 5, 2022. The following is a summary of testimony on provisions of the draft PHA Plans.

Vacancy loss payments (Cohort 4.2, Operations Notice 4.a)

One person provided oral comments asking if the vacancy payments can be applied retroactively. The individual expressed that they currently have a unit that is vacant and waiting for an inspection.

HPHA Response: The HPHA is prohibited from implementing the program before all regulatory procedures have concluded and rules are enacted. The HPHA intends to provide a landlord 30 days from submittal of the Request for Tenancy Approval documents to submit their vacancy loss payment request, following the adoption of rules and procedures.

One person provided oral comments asking if the landlord could request a vacancy loss payment now for a unit that will become vacant in late 2023.

HPHA Response: HPHA is unable to provide an incentive payment unless the HPHA can verify the landlord qualifies for a payment and a HAP contract is signed between the landlord and PHA.

One person provided oral comments asking if the landlord incentives can be applied to participants with Special Purpose Vouchers (SPV).

HPHA Response: The HPHA clarified that landlords who rent to a SPV participant may be eligible for an incentive payment, subject to funding availability and HUD approval. The HPHA further clarifies that it will not utilize any SPV HAP funding for the landlord incentive payments.

One person provided oral comments asking how landlords who have never rented to a Section 8 tenant before finding out about these new programs.

HPHA Response: The HPHA has been working closely with the Hawaii Association of Realtors to educate new and potential landlords. The HPHA also



recently held a public informational meeting to inform our existing landlords of these new incentive programs. The HPHA will continue to update all of its various stakeholders regarding these and any other MTW activities as they develop. The HPHA also plans to educate its HCV participants regarding its incentives so they can help to inform new landlords.

Other Landlord Incentives (Operations Notice 4.c)

One person provided oral comments asking if the incentives are only for new tenants.

HPHA Response: The signing bonus under Operations Notice 4.c are paid out for each new unit that a landlord rents to a voucher holder in the targeted area. If the landlord has multiple qualifying units that have never been rented to an HCV participant, they could be eligible to receive signing bonuses for each new unit they bring into the program. The vacancy payments and initial inspection flexibility can be applied multiple times for a unit so long as it qualifies.

One person provided oral comments asking if the signing bonus or vacancy loss payment conflict with the state landlord-tenant code. The person expressed concern that landlords are currently not able to receive as a security deposit any amount in excess of one month's rent.

HPHA Response The payments would not violate landlord-tenant code as they are not fees required to be held by the landlord to remedy defaults or compensation for damages, such as a security deposit, nor are they fees that would/could also be returned to the tenant. The proposed incentives are additional payments provided outside of the landlord-tenant contract for the landlord's use. Although the occupancy of the unit is what qualifies the landlord for the incentive(s), the tenant does not have any rights to the incentives.

One person provided oral comments asking if the signing bonus or vacancy loss payment will be given to the owner or managing agent.

HPHA Response: The HPHA will provide payment to the name listed on both the IRS Form 1099-Misc and W-9 documents provided in the Request for Tenancy Approval packet, completed by the Owner or Managing Agent. However, the HPHA acknowledges that a Managing Agent should request confirmation from the property Owner on the acceptance and ownership of incentives.



One person provided oral comments asking if additional funding was allocated by HUD to manage any new incentives and added program requirements.

HPHA Response: Through the MTW Program, the HPHA is able to use its public housing Capital Funds, Operating Funds, and HCV assistance flexibly to manage its MTW programs, but will not receive additional funding from the HUD. The HPHA may use additional funding provide by the State of Hawaii to assist in funding the programs.

One person provided oral comments requesting clarification between the signing bonus and vacancy loss payment incentives.

HPHA Response: As the HPHA has drafted its program policies, a landlord may qualify for a signing bonus only when it is the first time their unit is rented to a voucher holder. The signing bonuses are limited to one payment per new unit enrolled. With regard to the front-end vacancy payments, the HPHA does not want to exclude landlords that rented to non-participating tenants before coming back to the HCV program. There may be instances in which a landlord no longer rents to voucher holders because of past experience or the lease-up process would have taken too long. The intent of the front-end vacancy loss payments is to incentivize these landlords to return to the HCV program. The front-end vacancy loss payments are limited to one payment per unit. There is no limit to the number of vacancy loss payments that a landlord may receive for vacancies that occur between renting to voucher holders.

Waiver of Mandatory Initial Inception (Cohort 4.1)

Three people provided oral comments asking if more staff will be hired for inspections?

HPHA Response: The HPHA believes the implementation of this waiver will assist participants to move into housing faster, but do intend to hire additional inspector positions to ensure that units remain safe, decent, and sanitary.

One person provided oral comments asking if HPHA plans to change other features of the HCV program, such as inspection requirements.

HPHA Response: The HPHA's MTW designation will allow the agency to apply several waivers that impact how the HCV program operates. The HPHA is considering how it can improve all aspects of the program to better suit the specific, local needs of landlords and HCV



participants, and is open to the public's suggestions on how to improve the experience.

One person provided oral comments stating that the passing of Act 287 at the State Legislature required inspections to be completed within fifteen days after receiving an inspection request. The testifier asked if this will be an issue.

HPHA Response: The HPHA appreciates the testifiers comments and anticipates that the Initial Inspection Waivers will significantly reduce the average wait time for an initial inspection.

One person provided oral comments expressing concern about the Initial Inspection Flexibility allowance for units located in low poverty areas. The commentor was concerned that allowing waivers of units in these areas would incentivize landlords to not take care of their unit.

HPHA Response: The HPHA appreciates the testifiers comments and understands that this program would not preclude a qualifying landlord from attempting to rent a unit that would fall short of the Housing Quality Standards. There are two features in the program rules meant to prevent this. First, the HPHA requires that any qualifying landlord must submit a signed attestation form to certify that the unit is free from any life-threatening deficiencies. Any found misrepresentations may be considered fraud and in violation of Title 18, Section 1001 of the United States Code. Second, the HPHA would still require an inspection to occur within the first four months of tenancy.

One person provided oral comments asking if other conditions should be attached to units in low poverty neighborhoods.

HPHA Response: The HPHA appreciates the testifiers comments and will take into consideration whether additional conditions may need to be attached to units located in these areas. The HPHA is considering whether to pursue an MTW waiver for preinspections (i.e., inspections prior to the submittal of a Request for Tenancy Approval form) to supplement or possibly replace this qualification. Two of the main goals for the Landlord Incentive Programs are to develop a more streamlined move-in process and to lessen the administrative burden of HPHA staff.

Agency-Specific Waiver – Alternative Accommodation Transfer

One person provided oral comments asking if the agency-specific waiver or other potential waivers would make it harder to port-out or, in some instances, completely



restrict participants from porting, except for certain cases. The commentor stated that they were aware of other MTW Agencies enforcing stricter port-out rules.

HPHA Response: The HPHA is not considering implementing regulations that would prevent a participant's right to port to another jurisdiction at this time. The HPHA will continue to allow port-outs as long as the voucher holder is qualified.

One person provided oral comments asking if HPHA would consider a transfer program that would allow Section 8 participants to move into Public Housing. The allowable income limit is higher in Public Housing. A family that has too high of an income for Section 8 could find a transition option useful so as to not be cut off from housing assistance completely.

HPHA Response: The HPHA considered allowing transfers from Section 8 to Public Housing due to an approved Reasonable Accommodation Request or VAWA. However, the HPHA is not pursuing that option currently. The HPHA will consider the suggestion of allowing a broader transfer program. Section 8 voucher holders are advised that HUD issued a new over-income limit policy as set forth in PIH Notice 2019-11 and the Housing Opportunity Through Modernization Act of 2016.

One person commented that they were concerned there would be certain instances in which a disabled family in public housing would not be able to receive a voucher under the proposed Alternative Accommodations Transfer Program. Specifically, the testifier said that if a family had previously received an approved alternative accommodation but had not been able to move because there were no suitable units available that the family would not be able to qualify for this program. The testifier then raised a second concern that more families that do not fall into certain preference categories should also be able to receive a vouchers.

HPHA Response: The HPHA will not prohibit public housing families who did not transfer under a previously approved alternative accommodations request from accessing a Section 8 voucher through the proposed Alternative Accommodations Transfer Program (AATP). As a point of clarification, those families would still need to submit a new alternative accommodations request, after which the HPHA will separately consider whether the family also qualifies for the AATP. The HPHA appreciates the testifier's second concern. It is already the established policy of the HPHA to offer vouchers to applicant families that do not fall into preference categories if the adequate funding is available.



Other Comments

One person commented that incentive payments should be provided for vacating tenants to leave their unit in good condition.

HPHA Response: The HPHA appreciates the testifiers comments and will take it into consideration for a future MTW waiver. However, it is unlikely that the HPHA would utilize housing assistance funds to pay program participants.

Multiple people commented on the Rent Reasonable and Affordability procedures for new move-ins. As the program works, landlords are sometimes asked to accept a monthly amount that is lower than a comparable rent.

HPHA Response: The HPHA appreciates the testifiers comments but is currently required to determine the rents reasonableness compared to other unit rents in the area, and the ability for a participant to afford a unit. The HPHA may consider allowable alternatives provided under MTW to change these rules. The HPHA is open to discussing related MTW alternatives with the public in the future.

Multiple people commented that initiatives provided to assist and recruit landlords will not be sufficient to alleviate the issues within the program or incentivize new landlords. The commenters addressed multiple issues they have with the administration of the program, including staff response times and loss of rental income due to the rent reasonable and affordability requirements.

HPHA Response: The HPHA appreciates the testifiers comments and concerns and agrees that landlord and tenant assistance is very important for the overall success of the HCV program.

One person provided oral comments asking if administrative rules for the landlord incentive programs have to be established, and if so, when those rules are expected to be approved and the programs to be in effect.

HPHA Response: New rules will need to be established and adopted prior to implementation of the incentive programs. To enact MTW incentives, the HPHA will be required to amend its PHA Plan to include the MTW Supplement, hold a forty-five-day review period and public hearing, submit the Supplement to HUD, and amend the Section 8 Administrative Rules prior before the programs may go into effect. If the HPHA may establish the payment incentive



program earlier if the program is funded exclusively through nonfederal funds, subject to the establishment of program rules.

Two people provided oral comments asking there are any MTW programs to assist Section 8 tenants to get off the program or to provide training or work services, such as the Hawaii Division of Vocational Rehabilitation (DVR).

HPHA Response: The HPHA appreciates the testifiers comments and is considering coordinating with potential MTW programs that may assist families toward economic self-sufficiency. The HPHA would not likely fund training programs with housing assistance funds as that will limit the number of families able to be served with a voucher. Individuals are encouraged to contact existing job training programs through the Department of Human Services or the Department of Labor and Industrial Relations.

One person provided oral comments asking if HPHA was planning any MTW-related activities that will help with staff responsiveness for questions and concerns.

HPHA Response: One of the long-term goals of the HPHA's MTW designation is to improve cost efficiency and decrease administrative burden so that staff can be more responsive and work more directly with tenants on a regular basis. Going forward, the HPHA will implement future MTW waivers that help to accomplish this goal.