

# PHA Name : Houston

**PHA Code :** TX005

**MTW Supplement for PHA Fiscal Year Beginning :** (MM/DD/YYYY): 1/1/2023

**PHA Program Type:** Combined

**MTW Cohort Number:** Stepped and Tiered Rent

**MTW Supplement Submission Type:** Annual Submission

## **B. MTW Supplement Narrative.**

The Houston Housing Authority (HHA) hereby submits this Fiscal Year (FY) 2023 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HHA as an MTW agency in July 2021 as part of MTW “Cohort #2” which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. As described herein, HHA will also implement an array of other allowable MTW activities above and beyond the alternative rent policies evaluation program.

As an MTW agency, HHA is required to prepare and publish an MTW Supplement each year that describes how HHA intends to utilize MTW flexibility to further the three MTW statutory objectives and advance the agency’s mission. This document is HHA’s second MTW Supplement. HHA’s first MTW Supplement for FY 2022 was conditionally approved by HUD in July 2022. All MTW activities included in the FY 2022 MTW Supplement were approved by HUD.

Over the coming year and into the future, HHA’s new leadership team plans to utilize MTW flexibility to benefit our residents and program participants and to support the agency’s mission and strategic objectives. Overall, HHA plans to utilize MTW flexibility to: (1) Deliver housing programs and services in a more efficient, streamlined manner that is accessible and transparent to our clients, and that reduces unnecessary administrative burdens on both clients and staff; (2) Expand housing options and choices to serve the unique, diverse needs of Houston’s low- income residents by preserving the existing affordable housing portfolio, acquiring and/or building new mixed-income housing, promoting mobility to high opportunity neighborhoods and strengthening partnerships to create innovative, supportive housing options that serve special needs populations; and (3) Support residents in achieving economic self-sufficiency through an innovative alternative rent policies initiative, enhanced FSS program incentives, targeted literacy, education and job initiatives, and other partnership initiatives utilizing housing as a platform to stabilize and strengthen families.

As part of our commitment to resident and community engagement, HHA plans on an ongoing basis to conduct planning and review meetings with the RAB/Resident Leadership Council, establish an MTW webpage and create an MTW Advisory Committee including residents and partners. The RAB/ Resident Leadership Council and MTW Advisory Committee will collaborate with HHA to review MTW best practices; identify opportunities to incorporate MTW flexibility into HHA operations; and, work with HHA to identify activities for inclusion in future MTW Supplements.

Over time, HHA plans to incorporate MTW programmatic flexibility agency based on an assessment of agency priorities, opportunities and capacity. For FY 2023, implementation of the alternative rent policies evaluation initiative will continue to be HHA’s top priority, including educating residents on program benefits, enrolling residents in the evaluation through random assignment and enhancing partnerships to support the initiative. A series of other flexibilities will be implemented including triennial recertifications applicable to households excluded from the alternative rent policy evaluation; more flexible Small Area Fair Market Rent payment standards; Project Based Voucher program and HQS inspection policies; use of funds for local, non-traditional development activities; and, other activities described herein. Additional MTW components will evolve over time and be proposed annually in accordance with the MTW Operations Notice. The policies described in the MTW Supplement may be modified based on further guidance from HUD. An overview of initiatives HHA plans to implement in FY 2023, organized by the three MTW statutory objectives, includes:

**Cost Effectiveness:** While implementation of HHA’s proposed alternative tiered rent model may initially require upfront costs, over time HHA projects that rent reform will be revenue neutral after factoring in cost savings through administrative efficiencies associated with a simpler rent calculation method. Beginning in early 2023, HHA will randomly assign new admissions and existing residents in both the Public Housing and HCV programs into either a “treatment “ group which will have rents calculated using the MTW flat tiered rent model and be recertified every three years, or a “control” group which will continue to have their rents calculated and recertifications scheduled primarily using existing program rules except where MTW modifications may be allowed by HUD. For households who are excluded from rent reform (including elderly/disabled households, special purpose voucher holders and others as more fully described in the MTW Supplement), HHA intends to implement triennial reexamination schedules, income exclusions, asset self-certification and other rent simplification policies that are expected to reduce cost and improve client service and satisfaction.

**Housing Choice:** HHA plans to utilize MTW flexibility to support three broad objectives related to increasing housing choice for low-income households including initiatives to: (1) Expand the number of households who are able to move into high opportunity areas; (2) Preserve and expand HHA’s affordable housing portfolio; and (3) Promote and expand innovations in supportive housing through PBV and local, non-traditional programs. Regarding mobility, HHA will continue to establish more flexible payment standards utilizing Small Area Fair Market Rents, pre-qualify units for HQS compliance, modify the frequency of HQS inspections and other initiatives to enhance owner acceptance and willingness to lease to voucher holders. To promote preservation and expansion, HHA intends to engage in several MTW initiatives including establishing alternative PBV selection processes .

**Self-Sufficiency:** Implementation of HHA’s alternative rent model will be the focal point of HHA’s initial MTW self-sufficiency efforts. Other self-sufficiency initiatives will be evaluated over the coming year that build on HHA’s existing Section 3, FSS,

MyGoals and Jobs Plus framework including potentially: (1) modifying FSS family selection, income increases and Contract of Participation requirements; and (2) utilizing MTW funding flexibility to leverage other funds to support literacy, education and job training.

HHA also plans to use Housing Assistance Payments (HAP) funds flexibly to implement authorized MTW activities in accordance with the Operations Notice and allow for flexible use of funding across Section 8 and 9 programs and for MTW local, non-traditional programs. HHA intends for HAP funding to be utilized for authorized purposes as approved by the HHA Board of Commissioners to implement approved MTW activities including, but not limited to: local non-traditional project-based and tenant-based programs; sponsor-based leasing programs with housing and supportive services; education, job training and placement and other supportive services for HHA clients; and affordable housing development and preservation.

With the exception of MTW Activity 2.d., all of the MTW activities and waivers described herein were approved by HUD as part of the FY 2022 MTW Supplement process. Note also that, due to the submission and approval timetables for the FY 2022 MTW Supplement along with other factors, HHA projects that only one of the MTW waivers previously approved by HUD ( Waiver 2.a. – Payment Standards for Small Area FMRs) will be implemented by the end of FY 2022. Therefore, based on HUD guidance, other MTW waivers approved by HUD in FY 2022 continue to be categorized in the FY 2023 MTW Supplement as “Plan to Implement in the Submission Year”.

**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).**

|   |  |
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| <b>1. Tenant Rent Policies</b>  |  |
| a. Tiered Rent (PH)   | Plan to Implement in the Submission Year |
| b. Tiered Rent (HCV)  | Plan to Implement in the Submission Year |
| r. Elimination of Deduction(s) (PH)   | Plan to Implement in the Submission Year |
| s. Elimination of Deduction(s) (HCV)  | Plan to Implement in the Submission Year |
| v. Alternative Income Inclusions/Exclusions (PH)  | Plan to Implement in the Submission Year |
| w. Alternative Income Inclusions/Exclusions (HCV)   | Plan to Implement in the Submission Year |
| <b>2. Payment Standards and Rent Reasonableness</b>   |  |
| a. Payment Standards- Small Area Fair Market Rents (HCV)  | Currently Implementing                   |
| d. Rent Reasonableness – Third-Party Requirement (HCV)  | Plan to Implement in the Submission Year |
| <b>3. Reexaminations</b>  |  |
| a. Alternative Reexamination Schedule for Households (PH)   | Plan to Implement in the Submission Year |
| b. Alternative Reexamination Schedule for Households (HCV)  | Plan to Implement in the Submission Year |
| c. Self-Certification of Assets (PH)  | Plan to Implement in the Submission Year |
| d. Self-Certification of Assets (HCV)   | Plan to Implement in the Submission Year |
| <b>4. Landlord Leasing Incentives</b>   |  |
| <b>5. Housing Quality Standards (HQS)</b>   |  |
| a. Pre-Qualifying Unit Inspections (HCV)  | Plan to Implement in the Submission Year |
| c. Third-Party Requirement (HCV)  | Plan to Implement in the Submission Year |
| d. Alternative Inspection Schedule (HCV)  | Plan to Implement in the Submission Year |
| <b>6. Short-Term Assistance</b>   |  |
| <b>7. Term-Limited Assistance</b>   |  |
| <b>8. Increase Elderly Age (PH &amp; HCV)</b>   |  |
| <b>9. Project-Based Voucher Program Flexibilities</b>   |  |
| b. Increase PBV Project Cap (HCV)   | Plan to Implement in the Submission Year |
| c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV) | Plan to Implement in the Submission Year |
| <b>10. Family Self-Sufficiency Program with MTW Flexibility</b>   |  |
| <b>11. MTW Self-Sufficiency Program</b>   |  |
| <b>12. Work Requirement</b>   |  |
| <b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>   |  |
| <b>14. Moving on Policy</b>   |  |
| <b>15. Acquisition without Prior HUD Approval (PH)</b>  |  |
| <b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>   |  |
| <b>17. Local, Non-Traditional Activities</b>  |  |
| c. Housing Development Programs   | Plan to Implement in the Submission Year |

**C. MTW Activities Plan that Houston Plans to Implement in the Submission Year or Is Currently Implementing**

|   |
|---|
| <b>1.a. - Tiered Rent (PH)</b>  |
| HHA is part of MTW “Cohort #2” which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. Under this activity, HHA will implement an income-based flat tiered rent model applicable to public housing households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group.  |
| The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. At recertification, gross income will be determined retrospectively. For new admissions, gross income will be based on current income. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent for public housing will be capped by the applicable |

flat rent or Low Income Housing Tax Credit rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable. Recertifications will occur every 3 years. Income increases between regular recertifications will not result in rent increases. If household income decreases between regular recertifications, resulting in household income dropping to a lower tier, the household may request a hardship and have their rent be recalculated based on the lower tier, subject to the household meeting the requirements specified in the more detailed Hardship Policy included herein.

Beginning in early 2023, current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, asset self-certification and hardship policies. The control group will continue to have their rent calculated in accordance with standard public housing regulations; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.c, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.v. After a one-year enrollment period, all new admissions will have rents calculated in the same manner as the treatment group.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Current flat rent households
- Mixed eligibility families
- Households living in Jobs Plus developments
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)

The tiered rent activity is part of the overall alternative rent policy initiative that also incorporates triennial reexaminations, elimination of deductions, certain income exclusions and asset self-certification. Overall, HHA has defined the following goals: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

HUD approved this MTW waiver 1a as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).**

The MTW activity applies only to selected family types

**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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

Income bands are based on \$2,000 increments, with rent calculated at 28% of the low-point of the band. Deductions are eliminated except where hardship applies. Exceptions are the two lowest tiers, for which a minimum rent of \$50 applies. In addition, the tiers are capped at either the applicable flat rent or Low Income Housing Tax Credit (LIHTC) rent.

**Please see attached tiered rent policy table that shows the income bands.**

**The rent will be based on tiers of household income. Please see attached for the table on the tiered rent policy table that shows the income bands.**

This activity uses a different definition of income because we are using the following MTW waivers (check all that apply)

**This activity uses different definition of income because we are using the following MTW waivers:**

1.r. and/or 1.s. "elimination of deductions"; 1.v. and/or 1.w "alternative inclusions and exclusions"

**1.b. - Tiered Rent (HCV)**

HHA is part of MTW "Cohort #2" which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. Under this activity, HHA will implement an income-based flat tiered rent model applicable to Housing Choice Voucher households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group.

The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. At recertification, gross income will be determined retrospectively. For new admissions, gross income will be based on current income. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. Tiered rents for the Housing Choice Voucher program will be capped when total tenant payment equals the gross rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable. Recertifications will occur every 3 years. Income increases between regular recertifications will not result in rent increases. If household income decreases between regular recertifications, resulting in household income dropping to a lower tier, the household may request a hardship and have their rent be recalculated based on the lower tier, subject to the household meeting the requirements specified in the more detailed Hardship Policy included herein.

Beginning in early 2023, current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard Housing Choice Voucher program regulations; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.d, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.w. After a one-year enrollment period, all new admissions will have rents calculated in the same manner as the treatment group.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households.

Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Mixed eligibility families
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)
- HCV Zero HAP households
- Special purpose voucher households including: VASH, Mod Rehab (Certificate), Enhanced Voucher, Shelter Plus Care, Family Unification Program, Foster Youth, Emergency Housing Voucher, Mainstream, Tenant Protection Voucher
- Households in phase-in period under RAD protections
- Port-outs

The tiered rent activity is part of the alternative rent evaluation initiative that also incorporates triennial reexaminations, elimination of deductions, and asset self-certification. Overall, HHA has defined the following goals: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

HUD approved this MTW waiver 1b as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).**

The MTW activity applies only to selected family types

**This MTW activity applies to the following housing choice voucher unit types:** For both the tenant-based and Project Based programs, participants will be randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.

**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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

Income bands are based on \$2,000 increments, with rent calculated at 28% of the low-point of the band. Deductions are eliminated except where hardship applies. Exceptions are the two lowest tiers, for which a minimum rent of \$50 applies. In addition, the tiers are capped when total tenant payment equals the gross rent.

**Please see attached tiered rent policy table that shows the income bands.**

**The rent will be based on tiers of household income. Please see attached for the table on the tiered rent policy table that shows the income bands.**

This activity uses a different definition of income because we are using the following MTW waivers (check all that apply)

**This activity uses different definition of income because we are using the following MTW waivers:**

#### **1.r. - Elimination of Deduction(s) (PH)**

Under this activity, HHA will eliminate the dependent and unreimbursed child care deductions in conjunction with implementation of an income-based flat tiered rent model applicable to public housing households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group. See Activity 1A.

The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent for public housing will be capped by the applicable flat rent or Low Income Housing Tax Credit rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable.

HHA has established a Hardship Policy that is included with this activity. Under the Hardship Policy, HHA will grant a hardship for child care expenses to eligible households with child care expenses of \$2,000 or more. See Hardship Policy for additional details.

Beginning in early 2023, current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard public housing regulations; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.c, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.v. .

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse greater than 56 years of age
- Households in the homeownership program
- Current FSS participants
- Current flat rent households
- Mixed eligibility families
- Households living in Jobs Plus developments
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting



to learn of approval status)

The elimination of deductions activity is part of the overall alternative rent evaluation initiative that also incorporates tiered rents, triennial reexaminations, and asset self-certification. Overall, HHA has defined the following goals for this and related activities: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

HUD approved this MTW waiver 1r as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).**

The MTW activity applies only to selected family types

**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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**This MTW activity requires a Hardship Policy. The Hardship Policy is attached.**

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**This MTW activity requires an Impact Analysis. The Impact Analysis is attached.**

**Following deduction(s) will be eliminated, modified, or added.**

Dependent allowance;Unreimbursed childcare costs

### 1.s. - Elimination of Deduction(s) (HCV)

Under this activity, HHA will eliminate dependent and unreimbursed childcare deductions in conjunction with implementation of an income-based flat tiered rent model applicable to Housing Choice Voucher program households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group. See Activity 1B.

The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent is capped when total tenant payment equals the gross rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable.

HHA has established a Hardship Policy that is included with this activity. Under the Hardship Policy, HHA will grant a hardship for child care expenses to eligible households with child care expenses of \$2,000 or more. See Hardship Policy for additional details.

Beginning in early 2023, current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard Housing Choice Voucher program regulations; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.d, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.w.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Mixed eligibility families
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)
- HCV Zero HAP households
- Special purpose voucher households including: VASH, Mod Rehab (Certificate), Enhanced Voucher, Shelter Plus Care, Family Unification Program, Foster Youth, Emergency Housing Voucher, Mainstream, Tenant Protection Voucher
- Households in phase-in period under RAD protections
- Port-outs

The elimination of deductions activity is part of the overall alternative rent evaluation initiative that also incorporates tiered rents, triennial reexaminations and asset self-certification. Overall, HHA has defined the following goals for this and related activities: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

HUD approved this MTW waiver 1s as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

#### **This MTW activity serves the following statutory objectives:**

Cost effectiveness; Self-sufficiency

#### **This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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| The MTW activity applies only to a subset or subsets of assisted households  |
| <b>This MTW activity applies to:</b><br>New admissions and currently assisted households   |
| <b>An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).</b><br>The MTW activity applies only to selected family types   |
| <b>This MTW activity applies to the following housing choice voucher unit types:</b> For both tenant-based and project-based programs, the activity applies to randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.                          |
| <b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b><br>This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program. |
| <b>This MTW activity requires a Hardship Policy. The Hardship Policy is attached.</b>  |
| <b>No hardship were requested in the most recent fiscal year.</b>  |
| <b>In the prior year, under this activity, Houston MTW agency</b><br>Received 0 hardship requests<br><br>Approved hardship requests<br><br>Denied hardship requests<br><br>There is\are hardship requests pending.   |
| <b>This MTW activity requires an Impact Analysis. The Impact Analysis is attached.</b>   |
| <b>Following deduction(s) will be eliminated, modified, or added.</b><br>Dependent allowance;Unreimbursed childcare costs  |

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|---|
| <b>1.v. - Alternative Income Inclusions/Exclusions (PH)</b>   |
| Under this activity, HHA will exclude the following income when calculating tenant rent: 1) Earned income from full-time students; 2) Adoption assistance payments; and, 3) Asset income for up to \$50,000 in assets. Subject to HUD approval, this income exclusion will apply to all public housing households. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.<br><br>HUD approved this MTW waiver 1v as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA. |
| <b>This MTW activity serves the following statutory objectives:</b><br>Cost effectiveness;Self-sufficiency  |
| <b>This MTW activity has the following cost implications:</b><br>Neutral (no cost implications)   |
| <b>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new</b>  |

**admissions and currently 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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**Following inclusions or exclusions will be eliminated, modified, or added.**

Income to be excluded includes: 1) Earned income from full-time students; 2)Adoption assistance payments; and, 3)Asset income for up to \$50,000 in assets.

**1.w. - Alternative Income Inclusions/Exclusions (HCV)**

Under this activity, HHA will exclude the following income when calculating tenant rent: 1) Earned income from full-time students; 2) Adoption assistance payments; and, 3) Asset income for up to \$50,000 in assets. Subject to HUD approval, this income exclusion will apply to all Housing Choice Voucher (HCV) program households. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

HUD approved this MTW waiver 1w as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**Following inclusions or exclusions will be eliminated, modified, or added.**

The following income will be excluded: 1) Earned income from full-time students; 2) Adoption assistance payments; and, 3) Asset income for up to \$50,000 in assets.

**2.a. - Payment Standards- Small Area Fair Market Rents (HCV)**

Under this activity, HHA will utilize Small Area Fair Market Rents (SAFMR) to establish payment standards for the Housing Choice Voucher program. In lieu of establishing a unique payment standard for each zip code area, HHA may establish payment standards between 80-150% of the SAFMR for one or more groups of zip code areas. Current payment standards will be applied when contract rent increases occur between regular triennial recertifications if the new gross rent exceeds the prior payment standard. HHA already received HUD approval in 2021 to implement SAFMRs citywide. Thus, the primary effect of this activity will be to allow HHA to establish payment standards between 80-150% of SAFMR, compared to the standard 90-110%. In addition, this activity will allow HHA to reduce housing cost burdens by applying the then current payment standard if rent increases to owners approved by HHA between regular recertifications result in an increase in the gross rent above the payment standard that was applicable at the prior recertification. HHA goals are to support housing choice and mobility and reduce housing cost burdens by establishing payment standards that effectively will expand housing options, particularly in higher opportunity areas. HHA has established a Hardship Policy to minimize the impact on participants when the payment standard decreases.

HUD approved this waiver 2a as part of the FY 2022 MTW Supplement.

**This MTW activity serves the following statutory objectives:**

Housing choice

**This MTW activity has the following cost implications:**

Increased expenditures

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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.**

HHA intends to update its payment standards in the fourth quarter of 2022 utilizing the flexibility allowed under this MTW waiver.

**This MTW activity requires a Hardship Policy. The Hardship Policy is attached.**

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**This MTW activity requires an Impact Analysis. The Impact Analysis is attached.**

**The following describes the payment standards by ZIP code or 'grouped" ZIP codes:** HHA currently has established five groups of zip codes. Within each group, the payment standard for each individual zip code area must fall within the 80-150% basic range allowed under this MTW waiver.

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

Under this activity, HHA is authorized to perform rent reasonableness determinations on Project Based Voucher (PBV) units that it owns, manages and/or controls. This activity waives certain provisions of the Housing Act of 1937 along with HUD regulations at 24 CFR 982.352(b) and 24 CFR 983.303. Essentially, HHA will conduct rent reasonableness determinations on PBV units that it owns, manages and/or controls in accordance with other applicable HUD regulations and consistent with the way the agency conducts rent reasonableness for all other units leased under the Housing Choice Voucher (HCV) program including both tenant-based and project-based programs, i.e. HHA will determine that rents charged for these PBV units are reasonable when compared to similar unassisted units in the market area. As required under the MTW Operations Notice, HHA has established a quality assurance method to ensure impartiality. This activity supports HHA's efforts to ensure cost effective administration and to expand housing choices and opportunities for voucher program participants.

This activity is the only newly proposed activity in the FY 2023 MTW Supplement.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Housing choice

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).**

The MTW activity applies to all family types

**The MTW activity applies 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.**

Not applicable. This is a newly proposed activity.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**Following will explain quality assurance method:**

See attached Quality Assurance Method. **and attached for quality assurance method**

**Following will explain rent reasonableness determination method:**

HHA has attached excerpts from the current HCV Administrative Plan related to rent reasonableness determination. See also attached Quality Assurance Method. **and attached for rent reasonableness determination method**

**3.a. - Alternative Reexamination Schedule for Households (PH)**

Under this activity, HHA will establish an alternative reexamination schedule wherein regular recertifications are conducted at least once every three years ("triennial" recertifications). This policy will apply to all public housing households except for those households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.a. Control group households will continue to have annual recertifications and be eligible for interim recertifications according to standard HUD public housing regulations and existing HHA policies.

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (unless caused by changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. HHA is submitting a Safe Harbor Waiver in conjunction with implementing triennial recertifications for this group.

All other public housing households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HHA interim policies which do not limit the number of recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

HUD approved this MTW waiver 3a as part of the FY 2022 MTW Supplement. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).**

The MTW activity applies only to selected family types

**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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**This MTW activity requires a Safe Harbor Waiver.**

The waiver was previously approved.

The Safe Harbor Waiver is required to implement HHA's Cohort 2 alternative rent policies.

**This MTW activity requires a Hardship Policy. The Hardship Policy is attached.**

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**This MTW activity requires an Impact Analysis. The Impact Analysis is attached.**

**Recertification Schedule is**

Once every three years

**Household may request interim recertifications per year.**

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. The Safe Harbor Waiver request applies to this group of households.

Control group households will continue to have annual recertifications and be eligible for interim recertifications according to standard HUD public housing regulations and existing HHA policies .

All other public housing households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HHA interim policies which do not limit the number of interim recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded

households will be converted to triennial recertifications each year over a three-year period.

### **3.b. - Alternative Reexamination Schedule for Households (HCV)**

Under this activity, HHA will establish an alternative reexamination schedule wherein regular recertifications are conducted at least once every three years ("triennial" recertifications). This policy will apply to all HCV households except for those households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.b. Control group households will continue to have annual recertifications and be eligible for interim recertifications according to existing HUD HCV regulations and HHA policies.

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. HHA is submitting a Safe Harbor Waiver request for this group of households.



All other HCV households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HUD regulations and HHA HCV policies which do not limit the number of interim recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

HUD approved this MTW waiver 3b as part of the FY 2022 MTW Supplement. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).**

The MTW activity applies only to selected family types

**This MTW activity applies to the following housing choice voucher unit types:** The activity applies to all tenant-based and project-based vouchers except, as noted, for households randomly selected for the "control" group.

**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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**This MTW activity requires a Safe Harbor Waiver.**

The waiver was previously approved.

The Safe Harbor Waiver is required to implement HHA's Cohort 2 alternative rent policies.

**This MTW activity requires a Hardship Policy. The Hardship Policy is attached.**

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**This MTW activity requires an Impact Analysis. The Impact Analysis is attached.**

**Recertification Schedule is**

Once every three years

**Household may request interim recertifications per year.**

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. HHA is submitting a Safe Harbor Waiver request for this group of households.

All other HCV households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HUD regulations and HHA HCV policies which do not limit the number of interim recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

### **3.c. - Self-Certification of Assets (PH)**

Under this activity, all public housing households will be able to self-certify assets at admission or recertification provided that the asset value does not exceed \$50,000. This activity aligns with the Cohort #2 alternative rent evaluation and other process simplification initiatives including triennial recertifications. The agency goal for this activity is to simplify administration and reduce administrative burden.

HUD approved this MTW waiver 3c as part of the FY 2022 MTW Supplement. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**This MTW activity requires a Safe Harbor Waiver.**

The waiver was previously approved.

The Safe Harbor Waiver is required to implement HHA's Cohort 2 alternative rent policies.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**The dollar threshold for the self-certification of assets is**

\$50,000.

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

Under this activity, all Housing Choice Voucher program households will be able to self-certify assets at admission or recertification provided that the asset value does not exceed \$50,000. This activity aligns with the Cohort #2 alternative rent evaluation and other process simplification initiatives including triennial recertifications. The agency goal for this activity is to simplify administration and reduce administrative burden.

HUD approved this MTW waiver 3d as part of the FY 2022 MTW Supplement. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Self-sufficiency

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

**This MTW activity requires a Safe Harbor Waiver.**

The waiver was previously approved.

The Safe Harbor Waiver is required to implement HHA's Cohort 2 alternative rent policies.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**The dollar threshold for the self-certification of assets is**

\$50,000.

**5.a. - Pre-Qualifying Unit Inspections (HCV)**

Under this activity, HHA may conduct pre-qualifying unit inspections to determine if the unit meets HUD Housing Quality Standards in both the tenant-based and Project Based Voucher programs, provided that the pre-qualifying unit inspection must be done within 90 days of the participant occupying the unit. The program participant may request an interim inspection by contacting HHA at any time in accordance with current agency policies. HUD HQS standards at 24 CFR 982.401 apply to pre-qualifying inspections. This activity supports HHA goals to streamline program administration and increase housing choice for HCV program participants.

HUD approved this MTW waiver 5a as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Housing choice

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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 MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**The pre-inspection is valid for**

**90 days.**

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

Under this activity, HHA may conduct HQS inspections of Project Based Voucher units that it owns, manages and/or controls as an alternative to having inspections conducted by a third party. All such inspections will be conducted using HQS standards found at 24 CFR 982.401. To ensure the consistent and uniform application of HQS standards, HHA supervisory staff will conduct quality control inspections on a random sample of units in accordance with the Inspection Quality Assurance Method developed by HHA. Program participants may request an interim inspection by contacting HHA in accordance with the policies described in the Administrative Plan. If requested by HUD, HHA will obtain the services of a third-party entity to determine if HHA-owned units pass HQS. This activity helps support the HHA goal to streamline program administration and promote timely lease-up of PBV units.

HUD approved this MTW waiver 5c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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 MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**The quality assurance method:**

**Following will explain the quality assurance method** – See attachment, which was previously submitted and approved by HUD as part of the FY 2022 MTW Supplement.

If [Upload file] options- Display 'Attached for quality assurance method'

**5.d. - Alternative Inspection Schedule (HCV)**

Under this activity, HHA may implement an alternative inspection schedule for HCV units based on agency assessment of the age, property/unit condition, quality of property management and/or other relevant factors for individual units or buildings under a Housing Assistance Payments contract. All units must be inspected and pass HQS at initial occupancy. The alternative inspection will require that all units meet HUD Housing Quality Standards (HQS) and be inspected at least once every three years. All program participants will be able to request an interim inspection in accordance with HHA Administrative Plan policies. HUD shall be able to conduct or direct HHA to conduct inspections at any time for health, safety and/or accessibility purposes. This activity supports the goals of reducing administrative burden and streamlining program administration.

HUD approved this MTW waiver 5d as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently 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.**

HHA has not yet implemented this activity; however, implementation is projected to begin in FY 2023.

**No hardship were requested in the most recent fiscal year.****In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

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

Under this activity, HHA may eliminate or raise the existing cap on the number of units within a project and allow up to 100% of units in a project to be placed under a PBV Housing Assistance Payments contract. HHA may eliminate or raise the project cap for those PBV projects that the agency determines to be consistent with the goal of increasing housing choice for Housing Choice Voucher program participants. HHA may eliminate or raise the project cap for projects located in high opportunity areas, City-designated revitalization areas, in conjunction with HHA-sponsored development activities and for other factors as determined by HHA. HHA will continue to be subject to the applicable provisions of PIH Notice 2013-28 or successor notices. This activity supports the goal of increasing housing choice.

HUD approved this MTW waiver 9b as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Housing choice

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).**

The MTW activity applies to all family types

**The MTW activity applies 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.**

This MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

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

Under this activity, HHA may eliminate the selection process in the award of Project Based Vouchers to properties owned by HHA that are not public housing without engaging in an initiative to improve, develop or replace a public housing property or site. HHA may award PBVs to projects meeting this criteria based on approval by the HHA Board of Commissioners and provided that: 1) A subsidy layering review is performed where required by regulation; 2) HHA completed site selection requirements; 3) HQS inspections shall be performed by an independent entity (unless waived pursuant to an MTW waiver); and, 4) The property is owned by a single-asset entity of HHA in conformance with HUD PIH Notice 2017-21 or successor notice. HHA shall continue to be subject where applicable to HUD PIH Notice 2013-27 or successor notice. The HHA goals for this activity are to increase housing choice and to streamline and make operations more cost effective.

HUD approved this MTW waiver 9c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Cost effectiveness;Housing choice

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new**

**admissions and currently assisted households.**

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

**This MTW activity applies to:**

New admissions and currently assisted households

**An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).**

The MTW activity applies to all family types

**The MTW activity applies 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.**

This MTW waiver activity was approved by HUD as part of the FY 2022 MTW Supplement; however, implementation will begin in FY 2023.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

**17.c. - Housing Development Programs**

Under this activity, HHA may utilize MTW funding to acquire, renovate and/or build affordable housing units that are not public housing for low-income families and that meet HUD requirements for MTW "local, non-traditional housing" as defined in HUD PIH Notice 2011-45 or successor notices. HHA may utilize this activity to provide gap financing (grants or loans) to affordable housing developments including, but not limited to, Public Facilities Corporation (PFC) transactions, PBV developments, Low Income Housing Tax Credit developments and/or other eligible development activities, subject to approval by the HHA Board of Commissioners. HHA shall not expend more than 10% of its Housing Assistance Payments budget on local, non-traditional activities including this housing development activity. In implementing this activity, HHA shall: 1) ensure that families assisted meet the HUD definition of "low-income"; 2) comply with PIH Notice 2011-45 as applicable; 3) comply with Section 30 of the US Housing Act of 1937; and, 4) Competitively bid any MTW funding awarded through this activity to a third-party provider. HHA has provided summary information on 3 potential projects for funding under this activity; however, other projects may also be considered subject to approval of the HHA Board of Commissioners. This activity supports the goals to increase housing choices for low-income households and to leverage additional funds for affordable housing development.

HUD approved this MTW waiver 17c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

**This MTW activity serves the following statutory objectives:**

Housing choice

**This MTW activity has the following cost implications:**

Neutral (no cost implications)

**An MTW activity may apply to new admissions only, to currently assisted households only, or to both new**



**admissions and currently 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.**

HUD approved this activity as part of the FY 2022 MTW Supplement; however, implementation is projected to begin in FY 2023.

**No hardship were requested in the most recent fiscal year.**

**In the prior year, under this activity, Houston MTW agency**

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

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

| Name of Development and Address | MTW Role: Acquisition, Rehabilitation, New Construction?  | Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other | Number of Affordable Units | Total Number of Units | Number of Units by Affordability - 80% of AMI | Number of Units by Affordability - 50% of AMI | Number of Units by Affordability - 30% of AMI | Number of Units by Affordability - Other |
|---------------------------------|---|--|----------------------------|-----------------------|---|---|---|--|
| Fountain View TBD               | New Construction - Development approach including financing and unit counts are preliminary and subject to change | TBD  | 250.00                     | 250.00                | 0.00  | 0.00  | 0.00  | 0.00                                     |
| Sweetwater Apartments           | Rehabilitation/preservation of existing 260 unit LIHTC development that includes 26 public housing units          | TBD  | 260.00                     | 260.00                | 0.00  | 0.00  | 0.00  | 0.00                                     |
| Mansions at Turkey Creek        | Rehabilitation/preservation of existing 252 unit LIHTC development  | TBD  | 252.00                     | 252.00                | 0.00  | 0.00  | 0.00  | 0.00                                     |

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

| Name of Development and Address | MTW Role: Acquisition, Rehabilitation, New Construction? | Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other | Number of Affordable Units | Total Number of Units | Number of Units by Affordability - 80% of AMI | Number of Units by Affordability - 50% of AMI | Number of Units by Affordability - 30% of AMI | Number of Units by Affordability - Other |
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|

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

| Name of Development and Address | MTW Role: Acquisition, Rehabilitation, New Construction? | Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other | Number of Affordable Units | Total Number of Units | Number of Units by Affordability - 80% of AMI | Number of Units by Affordability - 50% of AMI | Number of Units by Affordability - 30% of AMI | Number of Units by Affordability - Other |
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|

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

| Name of Development and Address | MTW Role: Acquisition, Rehabilitation, New Construction? | Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other | Number of Affordable Units | Total Number of Units | Number of Units by Affordability - 80% of AMI | Number of Units by Affordability - 50% of AMI | Number of Units by Affordability - 30% of AMI | Number of Units by Affordability - Other |
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|
|---------------------------------|--|--|----------------------------|-----------------------|---|---|---|--|

|            |   |
|------------|---|
| <b>D.</b>  | <b>Safe Harbor Waivers.</b>   |
| <b>D.1</b> | <b>Safe Harbor Waivers seeking HUD Approval:</b><br>No Safe Harbor Waivers are being requested. |

|            |   |
|------------|---|
| <b>E.</b>  | <b>Agency-Specific Waiver(s).</b>   |
| <b>E.1</b> | <p><b>Agency-Specific Waiver(s) for HUD Approval:</b></p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, Agency-Specific Waivers may be requested.</p> <p>No Agency-Specific Waivers are being requested.</p> |
| <b>E.2</b> | <p><b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b></p> <p>The MTW agency should describe any changes in how the waiver is being implemented now compared to when it was originally approved.</p> <p>MTW Agency does not have approved Agency-Specific Waivers</p>  |

|            |  |
|------------|--|
| <b>F.</b>  | <b>Public Housing Operating Subsidy Grant Reporting.</b>   |
| <b>F.1</b> | 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. |

| <b>Federal Fiscal Year (FFY)</b> | <b>Total Operating Subsidy Authorized Amount</b> | <b>How Much PHA Disbursed by the 9/30 Reporting Period</b> | <b>Remaining Not Yet Disbursed</b> | <b>Deadline</b> |
|----------------------------------|--|--|------------------------------------|-----------------|
| 2021                             | \$16,089,982                                     | \$16,089,982   | \$0                                | 2029-09-30      |
| 2022                             | \$16,843,680                                     | \$16,843,680   | \$0                                | 2030-09-30      |

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

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

|  |   |
|--|---|
| <b>G.2</b>   | <b>Establishing Reasonable Rent Policy.</b> |
| MTW agency established a rent reform policy to encourage employment and self-sufficiency |   |

|   |   |
|---|---|
| <b>G.3</b>  | <b>Substantially the Same (STS) – Local, Non-Traditional.</b> |
| 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 | 0/1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6+ BR | TOTAL UNITS | POPULATION TYPE* | if 'Population Type' is Other | # of Section 504 Accessible (Mobility)** | # of Section 504 Accessible (Hearing/ Vision) | Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year? | What was the Total Amount of MTW Funds Invested into the Property? |
|------------------------|--------|------|------|------|------|-------|-------------|------------------|-------------------------------|--|---|---|--|
|------------------------|--------|------|------|------|------|-------|-------------|------------------|-------------------------------|--|---|---|--|

|   |  |
|---|--|
| <b>G.4</b>  | <b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b> |
| 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       | <b>0</b>  |

| H.  | 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. |                |

| I.  | Evaluations. |
|---|--------------|
| Yes - This table lists evaluations of Houston's MTW activities, including the names of evaluators and available reports |              |

**Table I.1 - Evaluations of MTW Policies**

| Title and short description   | Evaluator name and contact information   | Time period  | Reports available |
|---|--|--|-------------------|
| As part of MTW Cohort #2, MDRC is providing technical assistance and conducting an evaluation of the alternative rent structures to be implemented by HHA and other Cohort #2 agencies. | MDRC<br>Contact: Keith Olejniczak, Research Associate<br>Email: keith.olejniczak@mdrc.org<br>Phone: 510-844-2306 | Evaluation will be conducted over a six-year period beginning at study enrollment. | N/A               |

**MTW CERTIFICATIONS OF COMPLIANCE****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF PUBLIC AND INDIAN HOUSING****Certifications of Compliance with Regulations:  
Board Resolution to Accompany the MTW Supplement to the Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairperson or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the MTW Supplement to the Annual PHA Plan for the MTW PHA Fiscal Year beginning ( 01/01/2023 ), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

- (1) The PHA made the proposed MTW Supplement and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the MTW Supplement and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board(s) or tenant associations, as applicable) before approval of the MTW Supplement by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the annual MTW Supplement.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the MTW Supplement in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) all regulations implementing these authorities; and other applicable Federal, State, and local civil rights laws.
- (5) The MTW Supplement is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The MTW Supplement contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the MTW Supplement is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing, which means that it will: (i) take meaningful actions to further the goals identified by the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15; (ii) take no action that is materially inconsistent with its obligation to affirmatively further fair housing; and (iii) address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d). Note: Until the PHA is required to submit an AFH, and that AFH has been accepted by HUD, the PHA must follow the certification requirements of 24 CFR 903.7(o) in effect prior to August 17, 2015. Under these requirements, the PHA will be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) examines its programs or proposed programs; (ii) identifies any impediments to fair housing choice within those programs; (iii) addresses those impediments in a reasonable fashion in view of the resources available; (iv) works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (v) maintains records reflecting these analyses and actions.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment.
- (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.

- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (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.
- (17) 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 Poisoning 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.

Houston Housing Authority

TX005

**MTW PHA NAME**

**MTW PHA NUMBER/HA CODE**

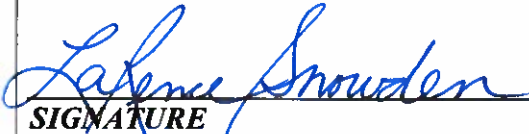
*I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

LaRence Snowden

Chair, Board of Commissioners

**NAME OF AUTHORIZED OFFICIAL**

**TITLE**

  
**SIGNATURE**

11/15/22  
**DATE**

\* *Must be signed by either the Chairperson or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairperson or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*



**HOUSTON**  
HOUSING AUTHORITY

Transforming Lives & Communities

**RESOLUTION NO. 3560**

At the meeting of the Houston Housing Authority Board of Commissioners, **November 15, 2022**, the following resolution was moved by **Max Miller** and seconded by **Stephanie Ballard**:

**Resolution:** That the Houston Housing Authority Board of Commissioners hereby approves the Fiscal Year 2023 Annual PHA Plan including the Moving to Work (MTW) Supplement, the Five-Year Capital Fund Plan, the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program (HCVP) Administrative Plan in substantially the form distributed to the Board, and authorizes HHA's President & CEO or their authorized designee to: 1) submit to the US Department of Housing and Urban Development (HUD) the HHA's Fiscal Year 2023 Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, the Public Housing ACOP and the HCVP Administrative Plan with all attached certifications, HUD forms, all necessary attachments and other documentation required for the receipt of capital funds and other program funds; 2) take all steps necessary to finalize and secure HUD approval and implement initiatives as described in the Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, Public Housing ACOP and HCVP Administrative Plan, subject to receipt of adequate funding from HUD; 3) certify that the public comment period and Public Hearing requirements have been met; and, 4) execute the HUD forms "Certifications of Compliance with PHA Plan and Related Regulations" and "MTW Certification of Compliance" in substantially the same forms attached hereto as Attachments A and B, pursuant to the memorandum from Cupid Alexander, Vice President of Operations dated November 1, 2022 to David A. Northern, Sr., President & CEO

A true and accurate copy of the vote is listed below, and a true and correct copy of the Resolution that was approved is attached hereto.

A true and accurate copy of the vote is listed below, and a true and correct copy of the Resolution that was approved is attached hereto.

| Name                      | Aye                                 | No                       | Abstain                  | Name                | Aye                                 | No                       | Abstain                  |
|---------------------------|-------------------------------------|--------------------------|--------------------------|---------------------|-------------------------------------|--------------------------|--------------------------|
| L. Snowden, Chair         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>G. Hernandez</i> | <i>Resigned</i>                     |                          |                          |
| K. Kirkendoll, Vice Chair | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A. Cooksey          | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| K. Thomas*                | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | S. Ballard          | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| M. Miller                 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                     |                                     |                          |                          |

**\*Absent:** *K. Thomas*

(SEAL)



DocuSigned by:  
*David A. Northern, Sr.*  
REDB1D8C1AF04AA

David A. Northern, Sr., Secretary  
HHA Board of Commissioners





**HOUSTON**  
HOUSING AUTHORITY

Transforming Lives & Communities

**REQUEST FOR BOARD AGENDA ITEM**

**1. Brief Description of Proposed Item**

Consideration to approve and authorize the President & CEO or designee to submit the Fiscal Year 2023 Annual PHA Plan, including the Moving to Work (MTW) Supplement and related documents, to the US Department of Housing and Urban Development (HUD).

**2. Date of Board Meeting: November 15, 2022**

**3. Proposed Board Resolution:**

**Resolution:** That the Houston Housing Authority Board of Commissioners hereby approves the Fiscal Year 2023 Annual PHA Plan including the Moving to Work (MTW) Supplement, the Five-Year Capital Fund Plan, the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program (HCVP) Administrative Plan in substantially the form distributed to the Board, and authorizes HHA's President & CEO or their authorized designee to: 1) submit to the US Department of Housing and Urban Development (HUD) the HHA's Fiscal Year 2023 Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, the Public Housing ACOP and the HCVP Administrative Plan with all attached certifications, HUD forms, all necessary attachments and other documentation required for the receipt of capital funds and other program funds; 2) take all steps necessary to finalize and secure HUD approval and implement initiatives as described in the Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, Public Housing ACOP and HCVP Administrative Plan, subject to receipt of adequate funding from HUD; 3) certify that the public comment period and Public Hearing requirements have been met; and, 4) execute the HUD forms "Certifications of Compliance with PHA Plan and Related Regulations" and "MTW Certification of Compliance" in substantially the same forms attached hereto as Attachments A and B, pursuant to the memorandum from Cupid Alexander, Vice President of Operations dated November 1, 2022 to David A. Northern, Sr., President & CEO

**4. Department Head Approval** Signature Cupid Alexander Date: 11/9/2022

**5. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available  Yes  No Source \_\_\_\_\_

**VP of FO Approval** Signature Mike Rogers Date: 11/9/2022

**6. Approval of President & CEO** Signature David A. Northern, Sr. Date: 11/9/2022



Transforming Lives & Communities

## MEMORANDUM

**TO:** DAVID A. NORTHERN, SR., PRESIDENT & CEO  
**FROM:** CUPID ALEXANDER, SENIOR VICE PRESIDENT OF OPERATIONS  
**SUBJECT:** CONSIDERATION TO APPROVE AND AUTHORIZE THE PRESIDENT & CEO OR DESIGNEE TO SUBMIT THE FISCAL YEAR 2023 ANNUAL PHA PLAN, INCLUDING THE MOVING TO WORK (MTW) SUPPLEMENT AND RELATED DOCUMENTS, TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).  
**DATE:** NOVEMBER 1, 2022

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This memorandum recommends that the Board of Commissioners approve and authorize the President and CEO to submit the Fiscal Year (FY) 2023 Annual PHA Plan, including the Moving to Work (MTW) Supplement to the US Department of Housing and Urban Development (HUD).

### BACKGROUND:

The Annual PHA Plan process was established by section 5A of the United States Housing Act of 1937 (42 USC 1437 et seq.). The purpose of the Annual PHA Plan is to provide a framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance programs, and other members of the public may locate basic PHA policies, rules, and requirements concerning its operations, programs, and services.

As a designated MTW agency, HHA is required to prepare and submit an MTW Supplement to the Annual PHA Plan prior to implementing any MTW waivers. The MTW Supplement describes the activities and waivers that HHA intends to implement using its MTW flexibility over the course of the fiscal year, including any Agency-Specific or Safe Harbor Waivers.

Due to the timing of HHA's MTW designation, the FY 2022 Annual PHA Plan and MTW Supplement went through separate public comment periods and Board approvals; however, for FY 2023 and future periods, they are combined into a single review and approval process. HUD conditionally approved HHA's FY 2022 Annual PHA Plan and MTW Supplement on July 12, 2022. All MTW activities included in the FY 2022 MTW Supplement were approved by HUD with the exception of two Safe Harbor Waivers and one Agency-Specific Waiver, which continue to be reviewed by HUD.

In accordance with HUD requirements, HHA posted a public notice, provided a public comment period, and will conduct a public hearing on the draft FY 2023 Annual PHA Plan, including the MTW Supplement and related documents and attachments.

The public comment period extends from September 27 through November 10, 2022. A series of meetings open to all HHA residents, program participants, and the general public were conducted on October 12, 19, and 26<sup>th</sup>. The public hearing is scheduled for the Board meeting on November 15, 2022. As part of the public comment process, the following draft documents were made available at HHA's central office, at every public housing development, and on HHA's website:

1. Annual PHA Plan FY 2023 (HUD-50075 ST)
2. HUD-50075 ST Narratives

3. MTW Supplement (HUD 50075-MTW)
4. FY 2023 Admissions and Continued Occupancy (ACOP) and Summary of Changes
5. FY2023 Housing Choice Voucher Program Administrative Plan and Summary of Changes
6. FY 2022-2026 Capital Fund Program 5-Year Action Plan

A summary of key elements of the FY 2023 Annual PHA Plan and MTW Supplement follows:

#### **Revision of Annual PHA Plan Elements**

*Statement of Housing Needs and Strategies* – The Plan provides updated information on HHA waiting lists and the need for affordable housing in Houston.

*Deconcentration and Other Policies Governing Eligibility, Selection and Admission* - The Plan incorporates HHA's deconcentration policy.

*Financial Resources* – The Plan provides preliminary, estimated 2023 financial resources to further its mission of providing quality affordable housing to eligible households. HHA notes its intention to utilize the financial flexibility permitted pursuant to HUD's MTW Operations Notice to maximize the use of available resources to fulfill its mission.

*Rent Determination* - HHA's policies related to rent determination are included in the Public Housing ACOP and HCV Administrative Plan. HHA prepared modifications to both the ACOP and HCV Administrative Plan, including incorporating streamlining changes allowable under existing HUD regulations and notices. Summaries of proposed changes and the revised policy documents were included in the public comment materials. The Annual PHA Plan also includes a summary of key elements related to HHA's participation in a national MTW rent reform evaluation that will impact clients from both the public housing and HCV programs.

#### **New Activities**

As required, the Annual PHA Plan includes a summary of HHA's planned new activities by category, including activities projected for 2023 and future years related to:

- Choice Neighborhoods
- Mixed Finance/Modernization or Development
- Demolition/Disposition
- Designated Housing for Elderly and Disabled Families
- Rental Assistance Demonstration Program
- Project Based Vouchers
- Other Capital Grant Programs

The Annual PHA Plan also references the implementation of various capital fund activities in accordance with HHA's 5-Year Capital Plan for FY 2022-2026.

#### **Progress Report**

The 2023 PHA Annual Plan includes a summary of HHA activities and progress in meeting agency goals and objectives over the past year.

## MTW Supplement

Only one new MTW activity (Activity 2.d) is included in the FY 2023 MTW Supplement. Upon approval by HUD, Activity 2.d. authorizes HHA to perform rent reasonableness determinations on Project Based Voucher (PBV) units that it owns, manages and/or controls. HHA will determine that rents charged for these PBV units are reasonable when compared to similar unassisted units in the market area. As required under the MTW Operations Notice, HHA has established a quality assurance method to ensure impartiality.

All other activities and waivers described in the FY 2023 of the MTW were approved by HUD as part of the FY 2022 MTW Supplement process, with the exception of two Safe Harbor waivers and one Agency-Specific waiver noted above continue to be reviewed by HUD. For informational purposes, these Safe Harbor and Agency-Specific waivers are also included in the FY 2023 submission; however, they are the same documents as those previously submitted in FY 2022.

Based on HUD guidance, other MTW waivers approved by HUD in FY 2022 continue to be categorized in the FY 2023 MTW Supplement as "Plan to Implement in the Submission Year." This includes the following: Alternative Rent Policy Evaluation – Consistent with the application submitted to HUD by HHA under MTW Cohort #2, HHA will implement a six-year alternative rent policy evaluation in both the public housing and Housing Choice Voucher (HCV) programs. All elderly and disabled households are excluded from the alternative rent policy evaluation. Other households, including special purpose vouchers, Family Self-Sufficiency Program participants, households living in Jobs Plus developments, and other groups identified in the MTW Supplement, are also excluded.

Households who are eligible for the alternative rent policy evaluation will be randomly assigned to either a "test" group or a "control" group. The control group will continue to have their rents calculated using current HUD/HHA program rules. The test group will have their rents calculated based on income tiers using gross household income with no deductions, and test households will be recertified every three years. Interim recertifications are not allowed between recertifications; however, a hardship policy has been established to address situations in which the tiered rent poses a hardship to residents, such as due to income decreases or high childcare expenses. In addition to standard MTW waivers, implementation of tiered rents requires submission of a Safe Harbor Waiver, which is included in the MTW Supplement. Income Exclusions – As allowed by HUD, income generated from assets valued at \$50,000 or less, earned income from full-time students, and adoption assistance payments will be excluded from income when calculating tenant rent.

- Asset Self-Certification – Tenants will be allowed to self-certify assets up to \$50,000 without providing additional third-party documentation.
- Triennial Recertifications – All households excluded from the alternative rent policy evaluation will have income recertified every three years, compared to the current annual recertification.
- Small Area Fair Market Rent (SAFMR) Payment Standards – Under this activity, HHA will have the flexibility to establish HCV program payment standards from 80 to 150% of the applicable SAFMR for the tenant-based program. In contrast, current regulations require that payment standards be set between 90 to 110% of the applicable SAFMR. This change will support moves to opportunity areas and increase HHA's flexibility to respond to market conditions when establishing payment standards.
- HQS Inspections for the HCV Program – Under these activities, HHA may conduct pre-qualifying inspections to determine if units meet HUD HQS standards; may conduct inspections of Project Based Voucher units owned by HHA or its affiliates instead of using a third-party inspector; and

establish alternative inspection schedules based on HHA's assessment of the condition of the property. Initial occupancy inspections must always be done; however, some units may be inspected every three years or upon the tenant or landlord's request.

- Project-Based Voucher (PBV) Program – Under these activities, HHA may increase the project cap to allow up to 100% of units in a project to be subsidized under a PBV contract; and, HHA may eliminate the required for a selection process in the award of PBV to properties owned by HHA that are not public housing without engaging in an initiative to improve, develop or replace a public housing program.
- Housing Development Program – Under this activity, HHA may utilize MTW funding to acquire, renovate, and/or build affordable housing units that are not public housing, provided that the housing serves low-income households and meets all other applicable HUD requirements.

### **RECOMMENDATION**

Accordingly, we recommend that the Board consider this resolution, which states:

**Resolution:** That the Houston Housing Authority Board of Commissioners hereby approves the Fiscal Year 2023 Annual PHA Plan including the Moving to Work (MTW) Supplement, the Five-Year Capital Fund Plan, the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program (HCVP) Administrative Plan in substantially the form distributed to the Board, and authorizes HHA's President & CEO or their authorized designee to: 1) submit to the US Department of Housing and Urban Development (HUD) the HHA's Fiscal Year 2023 Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, the Public Housing ACOP and the HCVP Administrative Plan with all attached certifications, HUD forms, all necessary attachments and other documentation required for the receipt of capital funds and other program funds; 2) take all steps necessary to finalize and secure HUD approval and implement initiatives as described in the Annual PHA Plan including the MTW Supplement, Five Year Capital Fund Plan, Public Housing ACOP and HCVP Administrative Plan, subject to receipt of adequate funding from HUD; 3) certify that the public comment period and Public Hearing requirements have been met; and, 4) execute the HUD forms "Certifications of Compliance with PHA Plan and Related Regulations" and "MTW Certification of Compliance" in substantially the same forms attached hereto as Attachments A and B, pursuant to the memorandum from Cupid Alexander, Senior Vice President of Operations dated November 1, 2022 to David A. Northern, Sr., President & CEO

**HOUSTON HOUSING AUTHORITY  
FY 2023 ANNUAL PHA PLAN AND MTW SUPPLEMENT  
PUBLIC COMMENT AND HHA RESPONSES**

The Houston Housing Authority (HHA) requested public review and comments and conducted public meetings and a hearing on HHA's Fiscal Year 2023 PHA Annual Plan including the Moving to Work (MTW) Supplement in accordance with HUD requirements:

- The public comment period extended from September 27 through November 10, 2022.
- During the public comment period, HHA conducted three public meetings for the Resident Advisory Board, tenant associations and the general public. The meetings were held on October 12, 19 and 26, 2022.
- Following the public comment period, HHA conducted a public hearing before the HHA Board of Commissioners on November 15, 2022.

**Public Comments and HHA Responses**

At the public meetings, HHA staff presented an overview of the FY 2023 Annual PHA Plan, the MTW Supplement and the 5-Year Capital Plan, as well as a discussion of proposed revisions to the Public Housing Admissions and Continued Occupancy Policy and Housing Choice Voucher Program Administrative Plan.

HHA reviewed the Annual PHA Plan elements including plans for converting public housing under the Rental Assistance Demonstration (RAD) program, planned modernization and development initiatives, and various other management initiatives.

HHA noted that the first MTW Supplement for FY 2022 was conditionally approved by HUD in July 2022. All MTW activities included in the FY 2022 MTW Supplement were approved by HUD with the exception of two Safe Harbor Waivers and one Agency-Specific Waiver which continue to be reviewed by HUD. It was noted that in FY 2022, HHA solicited public comments and conducted a separate public hearing on the proposed Safe Harbor and Agency-Specific Waivers. The only new MTW waiver proposed in FY 2023 is to allow HHA to conduct rent reasonableness for HHA-owned or controlled Project Based Voucher properties..

It was noted that over the coming year and into the future, HHA's new leadership team plans to utilize MTW flexibility to benefit residents and program participants and to support the agency's mission and strategic objectives.

For FY 2023, implementation of the alternative rent policies evaluation initiative will continue to be HHA's top priority, including educating residents on program benefits, enrolling residents in the evaluation through random assignment and enhancing partnerships to support the initiative. The Agency-Specific Waiver and Safe Harbor Waivers approved by the Board and submitted to HUD in FY 2022 will support the alternative tiered rent policy. A series of other flexibilities allowed under MTW will be implemented including triennial recertifications applicable to households excluded from the alternative rent policy evaluation; more flexible Small Area Fair Market Rent payment standards; Project

Based Voucher program and HQS inspection policies; and, the use of funds for local, non-traditional development activities. It was noted that additional MTW components will evolve over time based on agency priorities and feedback from residents and other community stakeholders.

During the public meetings and hearing, HHA provided a forum for open discussion among HHA residents and members of the public. Over the course of the discussions, participants raised several questions and issues. The questions/issues and HHA's responses and decisions are summarized below:

*Who is eligible for tiered rents?*

The MTW alternative tiered rent evaluation applies to both the public housing and HCV programs. HHA noted that the MTW alternative tiered rents will not impact elderly and disabled residents as they are excluded based on HUD requirements for participation in MTW Cohort #2. Other residents and program participants that are excluded from participation based on HUD requirements include:

- Households with a Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Current flat rent households
- Mixed eligibility families
- Households living in Jobs Plus developments
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)

The above information is included in the MTW Supplement. HHA also noted that households who are eligible for the alternative MTW tiered rent evaluation will be randomly assigned to either a treatment/study group, who will have their rents calculated using the tiered rent method, or the control group, who will have their rents calculated using current methods.

*How long will the tiered rent program last?*

The alternative tiered rent evaluation will occur over a six-year period. Based on a review of outcomes from the evaluation including resident satisfaction with the rent system, HHA may decide to extend the program beyond that term, subject to Board and HUD approval. It was also noted that under the MTW program, HHA also has the flexibility to implement tiered rents for residents who are currently excluded from the evaluation program; however, that is not being proposed at the current time.

*Residents from various HHA public housing developments discussed capital needs and suggested additional projects for inclusion in the 5-Year Capital Plan.*

HHA indicated that the agency welcomes and appreciates resident input into capital planning and that changes would be made to agency plans to incorporate resident suggestions and priorities wherever feasible. Subsequent to the public meetings, HHA made a series of modifications to the capital plan including adding new projects and modifying schedules at: Bellerive (elevator replacement); Cuney Homes (roof replacement, building a centralized mail area); Ewing and Lincoln Park (replacing computers at Resident Lab); Fulton Village (accelerating schedules for water heater replacement and

foundation repairs); Kennedy Place (landscaping and kitchen cabinet replacement); and, Oxford Place (accelerating schedules for appliance replacement, playground replacement and repairs to the basketball court).

In closing, HHA emphasized that the new leadership team welcomes the involvement of residents and community stakeholders in shaping agency plans, priorities and policies through the Annual PHA Plan and MTW Supplement process and looks forward to an ongoing constructive dialogue to improve conditions at HHA developments and services to residents and the community at large.



**Houston Housing Authority  
Public Housing Program – Tiered Rent Schedule**

The tiered rent schedule for public housing is shown below. As applicable, public housing tiered rents are capped at the flat rent and/or Low Income Housing Tax Credit rent for the unit.

| <b>Tier #</b> | <b>Income Tier Based on Gross Household Income</b> | <b>Rent (Total Tenant Payment)</b> |
|---------------|--|------------------------------------|
| 1.            | \$0 to \$1,999                                     | \$50                               |
| 2.            | \$2,000 to \$3,999                                 | \$50                               |
| 3.            | \$4,000 to \$5,999                                 | \$93                               |
| 4.            | \$6,000 to \$7,999                                 | \$140                              |
| 5.            | \$8,000 to \$9,999                                 | \$187                              |
| 6.            | \$10,000 to \$11,999                               | \$233                              |
| 7.            | \$12,000 to \$13,999                               | \$280                              |
| 8.            | \$14,000 to \$15,999                               | \$327                              |
| 9.            | \$16,000 to \$17,999                               | \$373                              |
| 10.           | \$18,000 to \$19,999                               | \$420                              |
| 11.           | \$20,000 to \$21,999                               | \$467                              |
| 12.           | \$22,000 to \$23,999                               | \$513                              |
| 13.           | \$24,000 to \$25,999                               | \$560                              |
| 14.           | \$26,000 to \$27,999                               | \$607                              |
| 15.           | \$28,000 to \$29,999                               | \$653                              |
| 16.           | \$30,000 to \$31,999                               | \$700                              |
| 17.           | \$32,000 to \$33,999                               | \$747                              |
| 18.           | \$34,000 to \$35,999                               | \$793                              |
| 19.           | \$36,000 to \$37,999                               | \$840                              |
| 20.           | \$38,000 to \$39,999                               | \$887                              |
| 21.           | \$40,000 to \$41,999                               | \$933                              |
| 22.           | \$42,000 to \$43,999                               | \$980                              |
| 23.           | \$44,000 to \$45,999                               | \$1,027                            |
| 24.           | \$46,000 to \$47,999                               | \$1,073                            |
| 25.           | \$48,000 to \$49,999                               | \$1,120                            |
| 26.           | \$50,000 to \$51,999                               | \$1,167                            |
| 27.           | \$52,000 to \$53,999                               | \$1,213                            |
| 28.           | \$54,000 to \$55,999                               | \$1,260                            |
| 29.           | \$56,000 to \$57,999                               | \$1,307                            |
| 30.           | \$58,000 to \$59,999                               | \$1,353                            |
| 31.           | \$60,000 to \$61,999                               | \$1,400                            |
| 32.           | \$62,000 to \$63,999                               | \$1,447                            |
| 33.           | \$64,000 to \$65,999                               | \$1,493                            |

| <b>Tier #</b> | <b>Income Tier Based on Gross Household Income</b> | <b>Rent (Total Tenant Payment)</b> |
|---------------|--|------------------------------------|
| 34.           | \$66,000 to \$67,999                               | \$1,540                            |
| 35.           | \$68,000 to \$69,999                               | \$1,587                            |
| 36.           | \$70,000 to \$71,999                               | \$1,633                            |
| 37.           | \$72,000 to \$73,999                               | \$1,680                            |
| 38.           | \$74,000 to \$75,999                               | \$1,727                            |
| 39.           | \$76,000 to \$77,999                               | \$1,773                            |
| 40.           | \$78,000 to \$79,999                               | \$1,820                            |
| 41.           | \$80,000 to \$81,999                               | \$1,867                            |
| 42.           | \$82,000 to \$83,999                               | \$1,913                            |
| 43.           | \$84,000 to \$85,999                               | \$1,960                            |
| 44.           | \$86,000 to \$87,999                               | \$2,007                            |
| 45.           | \$88,000 to \$89,999                               | \$2,053                            |
| 46.           | \$90,000 to \$91,999                               | \$2,100                            |
| 47.           | \$92,000 to \$93,999                               | \$2,147                            |
| 48.           | \$94,000 to \$95,999                               | \$2,193                            |
| 49.           | \$96,000 to \$97,999                               | \$2,240                            |
| 50.           | \$98,000 to \$99,999                               | \$2,287                            |
| 51.           | \$100,000 to \$101,999                             | \$2,333                            |
| 52.           | \$102,000 to \$103,999                             | \$2,380                            |
| 53.           | \$104,000 to \$105,999                             | \$2,427                            |
| 54.           | \$106,000 to \$107,999                             | \$2,473                            |
| 55.           | \$108,000 to \$109,999                             | \$2,520                            |
| 56.           | \$110,000 to \$111,999                             | \$2,567                            |
| 57.           | \$112,000 to \$113,999                             | \$2,613                            |
| 58.           | \$114,000 to \$115,999                             | \$2,660                            |

**Houston Housing Authority  
Housing Choice Voucher Program – Tiered Rent Schedule**

The tiered rent schedule for the Housing Choice Voucher program is shown below. As applicable, Housing Choice Voucher program tiered rents are capped at the point when the Housing Assistance Payment equals zero.

| <b>Tier #</b> | <b>Income Tier Based on Gross Household Income</b> | <b>Rent (Total Tenant Payment)</b> |
|---------------|--|------------------------------------|
| 1.            | \$0 to \$1,999                                     | \$50                               |
| 2.            | \$2,000 to \$3,999                                 | \$50                               |
| 3.            | \$4,000 to \$5,999                                 | \$93                               |
| 4.            | \$6,000 to \$7,999                                 | \$140                              |
| 5.            | \$8,000 to \$9,999                                 | \$187                              |
| 6.            | \$10,000 to \$11,999                               | \$233                              |
| 7.            | \$12,000 to \$13,999                               | \$280                              |
| 8.            | \$14,000 to \$15,999                               | \$327                              |
| 9.            | \$16,000 to \$17,999                               | \$373                              |
| 10.           | \$18,000 to \$19,999                               | \$420                              |
| 11.           | \$20,000 to \$21,999                               | \$467                              |
| 12.           | \$22,000 to \$23,999                               | \$513                              |
| 13.           | \$24,000 to \$25,999                               | \$560                              |
| 14.           | \$26,000 to \$27,999                               | \$607                              |
| 15.           | \$28,000 to \$29,999                               | \$653                              |
| 16.           | \$30,000 to \$31,999                               | \$700                              |
| 17.           | \$32,000 to \$33,999                               | \$747                              |
| 18.           | \$34,000 to \$35,999                               | \$793                              |
| 19.           | \$36,000 to \$37,999                               | \$840                              |
| 20.           | \$38,000 to \$39,999                               | \$887                              |
| 21.           | \$40,000 to \$41,999                               | \$933                              |
| 22.           | \$42,000 to \$43,999                               | \$980                              |
| 23.           | \$44,000 to \$45,999                               | \$1,027                            |
| 24.           | \$46,000 to \$47,999                               | \$1,073                            |
| 25.           | \$48,000 to \$49,999                               | \$1,120                            |
| 26.           | \$50,000 to \$51,999                               | \$1,167                            |
| 27.           | \$52,000 to \$53,999                               | \$1,213                            |
| 28.           | \$54,000 to \$55,999                               | \$1,260                            |
| 29.           | \$56,000 to \$57,999                               | \$1,307                            |
| 30.           | \$58,000 to \$59,999                               | \$1,353                            |
| 31.           | \$60,000 to \$61,999                               | \$1,400                            |
| 32.           | \$62,000 to \$63,999                               | \$1,447                            |
| 33.           | \$64,000 to \$65,999                               | \$1,493                            |
| 34.           | \$66,000 to \$67,999                               | \$1,540                            |

| <b>Tier #</b> | <b>Income Tier Based on Gross Household Income</b> | <b>Rent (Total Tenant Payment)</b> |
|---------------|--|------------------------------------|
| 35.           | \$68,000 to \$69,999                               | \$1,587                            |
| 36.           | \$70,000 to \$71,999                               | \$1,633                            |
| 37.           | \$72,000 to \$73,999                               | \$1,680                            |
| 38.           | \$74,000 to \$75,999                               | \$1,727                            |
| 39.           | \$76,000 to \$77,999                               | \$1,773                            |
| 40.           | \$78,000 to \$79,999                               | \$1,820                            |
| 41.           | \$80,000 to \$81,999                               | \$1,867                            |
| 42.           | \$82,000 to \$83,999                               | \$1,913                            |
| 43.           | \$84,000 to \$85,999                               | \$1,960                            |
| 44.           | \$86,000 to \$87,999                               | \$2,007                            |
| 45.           | \$88,000 to \$89,999                               | \$2,053                            |
| 46.           | \$90,000 to \$91,999                               | \$2,100                            |
| 47.           | \$92,000 to \$93,999                               | \$2,147                            |
| 48.           | \$94,000 to \$95,999                               | \$2,193                            |
| 49.           | \$96,000 to \$97,999                               | \$2,240                            |
| 50.           | \$98,000 to \$99,999                               | \$2,287                            |
| 51.           | \$100,000 to \$101,999                             | \$2,333                            |
| 52.           | \$102,000 to \$103,999                             | \$2,380                            |
| 53.           | \$104,000 to \$105,999                             | \$2,427                            |
| 54.           | \$106,000 to \$107,999                             | \$2,473                            |
| 55.           | \$108,000 to \$109,999                             | \$2,520                            |
| 56.           | \$110,000 to \$111,999                             | \$2,567                            |
| 57.           | \$112,000 to \$113,999                             | \$2,613                            |
| 58.           | \$114,000 to \$115,999                             | \$2,660                            |

**HOUSTON HOUSING AUTHORITY**  
**RENT REASONABLENESS THIRD PARTY REQUIREMENT QUALITY ASSURANCE METHODS**  
**MTW ACTIVITY 2.D.**

HHA is authorized pursuant to Moving to Work (MTW) Activity 2.D as defined in the MTW Operations Notice to perform rent reasonableness determinations on Project Based Voucher (PBV) units that it owns, manages and/or controls. This activity waives certain provisions of the Housing Act of 1937 along with HUD regulations at 24 CFR 982.352(b) and 24 CFR 983.303. Essentially, HHA will conduct rent reasonableness determinations on PBV units that it owns, manages and/or controls in accordance with other applicable HUD regulations and consistent with the way the agency conducts rent reasonableness for all other units leased under the Housing Choice Voucher (HCV) program including both tenant-based and project-based programs, i.e. HHA will determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area. The MTW Operations Notice requires that HHA establish and make available this quality assurance method.

**Quality Assurance Standards**

HHA conducts rent reasonableness determinations in accordance with applicable HUD regulations, unless waived pursuant to a HUD-approved MTW Supplement, and in accordance with HHA's HCV Administrative Plan. Before HHA can enter into a HAP contract with an owner, HHA must verify that the rent the owner proposes to charge is reasonable in relation to comparable units in the private unassisted market. HHA takes into consideration the location, size, type, quality and age of the units, and the amenities, housing services, and maintenance and utilities when determining comparability and the reasonable rent.

HHA makes a determination that the proposed rent is reasonable in relation to comparable units in the private unassisted market. The market area for rent reasonableness comparability is the City of Houston, Texas, that area five miles beyond the City of Houston, or the nearest and most appropriate comps considering the factors detailed in the HCV Administrative Plan.

Rent reasonableness determinations are conducted prior to entering into a Housing Assistance Payments (HAP) contract. HHA must also redetermine the reasonable rent:

- Whenever there is a 10 percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR in effect 1 year before the contract anniversary.
- (Whenever HHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- (Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
- Whenever there is any other change that may substantially affect the reasonable rent.

**Quality Assurance Method**

On at least an annual basis, HHA supervisory staff shall conduct a quality assurance review of units covered under this MTW waiver utilizing the following information:

- Administrative Plan sections on Rent Reasonableness
- The number of families assisted in PBV units owned, managed and/or controlled by HHA.

The quality assurance review shall include the following action steps:

1. Determine the proper sample size based on the number of families assisted in PBV units owned, managed and/or controlled by HHA.
2. Select a random sample using the universe and table below.
3. Review Administrative Plan policies governing rent reasonableness.
4. Review each file for adherence to rent reasonableness policies and procedures.
5. Complete data collection form.
6. Determine what percent of families in the sample had reasonable rent determinations completed correctly.
7. Take action to address any material deficiencies in HHA's rent reasonableness process including, but not limited to, providing follow-up training to staff and/or adjusting the rent.

| <b>Universe Size</b> | <b>Minimum Number of files to be Sampled</b>      |
|----------------------|---|
| 50 or less           | 5   |
| 51 – 600             | 5 + 1 for each 50 (or part of 50) over 50         |
| 601 – 2000           | 16 plus 1 for each 100 (or part of 100) over 600  |
| Over 2000            | 30 plus 1 for each 200 (or part of 200) over 2000 |

## **HOUSTON HOUSING AUTHORITY HQS INSPECTION QUALITY ASSURANCE METHODS – ACTIVITY 5.C.**

HHA will perform HUD Housing Quality Standards (HQS) inspections on Project Based Voucher units that are owned, managed and/or controlled by HHA. To ensure the consistency and uniformity of these HQS inspections, HHA shall perform quality control inspections on a random sample of HQS inspections completed on HHA owned units in accordance with the policies described in the Administrative Plan. The following information describes HHA's quality control inspection policies and HHA's HQS QC audit protocol.

### **A. Program Integrity and Ethics**

#### General Principles:

1. HHA anticipates that the vast majority of families, owners, and HHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.
2. To ensure that the HHA's HCV program is administered effectively and according to the highest ethical and legal standards, HHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.
3. In addition to taking steps to prevent errors and program abuse, HHA will use a variety of activities to detect errors and program abuse.

#### Quality Control and Analysis of Data

1. Under the Section 8 Management Assessment Program (SEMAP), HUD requires completion of quality control HQS inspections to provide feedback on inspectors' work, which can be used to determine if individual performance or general HQS training issues need to be addressed.
2. HHA will also conduct HQS QC reviews on a random sample of HQS inspections completed on HHA owned units consistent with the SEMAP HQS QC protocol. The universe is the number of HHA owned units under HAP contract
3. HHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HHA's error detection and abuse prevention efforts.
4. HHA will review all referrals, specific allegations, complaints, and tips from any source including, other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.
5. HHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

### **B. Management Assessment Objectives**

The Authority operates its housing assistance program with efficiency and uses resources in a manner that reflects commitment to quality and service. The Authority's policies and practices are consistent with SEMAP goals and objectives.

In order to demonstrate compliance with HUD and other pertinent regulations, the Authority will maintain records, reports and other documentation for a time that is in accordance with HUD

requirements and in a manner that will allow an auditor, housing professional or other interested party to monitor the Authority's operational procedures and practices objectively and accurately.

In addition to SEMAP monitoring, to ensure quality control, supervisory staff performs random audits of all Housing Choice Voucher actions.

**HQS QUALITY CONTROL INSPECTIONS AUDIT PROTOCOL - HHA OWNED UNITS**

| Universe   | Minimum Number of Reinspections to be Conducted   |
|------------|---|
| 50 or less | 5   |
| 51 – 600   | 5 + 1 for each 50 (or part of 50) over 50         |
| 601 – 2000 | 16 plus 1 for each 100 (or part of 100) over 600  |
| Over 2000  | 30 plus 1 for each 200 (or part of 200) over 2000 |

**Quarter 1:**

Period of review: \_\_\_\_\_

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months:

\_\_\_\_\_

Number of files to sample: \_\_\_\_\_

**Quarter 2:**

Period of review: \_\_\_\_\_

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months

\_\_\_\_\_

Number of files to sample: \_\_\_\_\_

**Quarter 3:**

Period of review: \_\_\_\_\_

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months:

\_\_\_\_\_

Number of files to sample: \_\_\_\_\_



**Quarter 4:**

Period of review: \_\_\_\_\_

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months

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Number of files to sample: \_\_\_\_\_

