

PHA Name : McLeod County

PHA Code : MN203

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 7/1/2023

PHA Program Type: Housing Choice Voucher (HCV) only

MTW Cohort Number: MTW Flexibility for Smaller PHAs

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

During the fiscal year beginning 7/1/2023, the HRA will implement its second MTW activities. The proposed activity is: 1) Self-certification of assets up to \$50,000 for all HCV participants at recertification. The intent of the activity is to achieve greater cost effectiveness of federal expenditures by reducing the administrative work for both households and staff in collecting asset information.

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).

1. Tenant Rent Policies	
b. Tiered Rent (HCV)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Not Currently Implemented
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
d. Rent Reasonableness – Third-Party Requirement (HCV)	Not Currently Implemented
3. Reexaminations	
b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Not Currently Implemented
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
6. Short-Term Assistance	
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	
Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Not Currently Implemented
b. Increase PBV Project Cap (HCV)	Not Currently Implemented
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Not Currently Implemented
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Not Currently Implemented
10. Family Self-Sufficiency Program with MTW Flexibility	
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented

d.HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
11. MTW Self-Sufficiency Program	
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Not Currently Implemented
15. Acquisition without Prior HUD Approval (PH)	
16. Deconcentration of Poverty in Public Housing Policy (PH)	
17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Not Currently Implemented

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

2.b. - Payment Standards- Fair Market Rents (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>This activity increases the Housing Choice Voucher Program payment standards to 120% of Fair Market Rent. The goal is to allow assisted households greater choice in finding units that fit within the payment standards as well as attracting additional landlords to the program for increased utilization.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The HRA's payment standards are set at 120% FMR for all bedroom sizes.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p>

This document is attached.

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

Yes

Please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)

2.b. - Payment Standards- Fair Market Rents (HCV); 3.b. - Alternative Reexamination Schedule for Households (HCV)

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

No

How many hardship requests have been received associated with this activity in the past year?

No hardship were requested in the most recent fiscal year.

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

No

Please explain the payment standards by FMR:

0 bdrm = 769

1 bdrm = 771

2 bdrm = 1016

3 bdrm = 1444

4 bdrm = 1731

5 bdrm = 1990

6 bdrm = 2250

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

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

This activity will move all Housing Choice Voucher Program participants from an annual recertification process to a biennial (every two years) recertification process to meet the goals of reducing paperwork for both households and HRA staff and allow staff to spend more time planning future MTW activities.

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

Cost effectiveness

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This activity has not been implemented. We are waiting for HUD HIP system to be completed and software vendor to complete setup.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

Yes

Please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)

2.b. - Payment Standards- Fair Market Rents (HCV); 3.b. - Alternative Reexamination Schedule for Households (HCV)

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

No

How many hardship requests have been received associated with this activity in the past year?

No hardship were requested in the most recent fiscal year.

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

What is the recertification schedule?

Once every two years

How many interim recertifications per year may a household request?

2 or more

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

Households may continue to request interim reexaminations at any time as is currently allowed.

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

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

This activity will allow all Housing Choice Voucher Program participants to self-certify assets up to \$50,000 at each biennial certification to meet the goals of reducing paperwork for both households and HRA staff and allow staff to spend more time planning future MTW activities.

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

Cost effectiveness

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This is a proposed activity and has not been implemented.

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

No

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

\$50,000.

D.	Safe Harbor Waivers.
D.1	<p>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</p> <p>No Safe Harbor Waivers are being requested.</p>

E.	Agency-Specific Waiver(s).
E.1	<p>Agency-Specific Waiver(s) for HUD Approval:</p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.</p> <p>In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.</p> <p>For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.</p> <p>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?</p> <p>No Agency-Specific Waivers are being requested.</p>
E.2	<p>Agency-Specific Waiver(s) for which HUD Approval has been Received:</p> <p>Does the MTW agency have any approved Agency-Specific Waivers?</p> <p>MTW Agency does not have approved Agency-Specific Waivers</p>

F.	Public Housing Operating Subsidy Grant Reporting.
F.1	Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
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G.	MTW Statutory Requirements.	
G.1	75% Very Low Income – Local, Non-Traditional. HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.	
	Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
	80%-50% Area Median Income	
	49%-30% Area Median Income	
	Below 30% Area Median Income	
	Total Local, Non-Traditional Households	0

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

G.2	Establishing Reasonable Rent Policy.

G.3	Substantially the Same (STS) – Local, Non-Traditional.
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	# 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.	# 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?

G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	
	Occupied Number of Local, Non-Traditional units by

Family Size:	Household Size
1 Person	
2 Person	
3 Person	
4 Person	
5 Person	
6+ Person	
Totals	0

H.	Public Comment
<p>Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.</p>	

I.	Evaluations.
<p>No known evaluations.</p>	



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Minneapolis Field Office
Paul D. Wellstone Federal Building
212 Third Avenue South, Suite 150
Minneapolis, MN 55401

July 18, 2023

Ms. Jill Bengtson, Executive Director
Mcleod County HRA
2200 23 St. NE, Suite 2090
Willmar, MN 56201

SUBJECT: Approval of MN 203 PHA Plan and MTW Supplement with MTW Waivers

Dear Ms. Bengtson:

This letter is to inform you that the Mcleod County HRA Annual PHA Plan and Moving to Work (MTW) Supplement for the Fiscal Year beginning July 1, 2022 is approved.

The Department's approval of this MTW Supplement to the PHA Plan is limited to approval of policies and actions authorized by the 1937 Act and flexibilities waiving provisions of the 1937 Act as outlined by the MTW Operations Notice. In providing assistance to families under programs covered by this MTW Supplement to the PHA Plan, your PHA must comply with the rules, standards, and policies established in the MTW Supplement to the PHA Plan as well as all applicable federal requirements other than those provisions of the 1937 Act waived by the MTW Operations Notice.

Documents relying upon the approved PHA Plan and MTW Supplement (i.e., Administrative Plan, Admission and Continued Occupancy Plan, etc.) should be updated to reflect those policies. Also, the approved PHA Plan and all required attachments and documents should be available for review and inspection at the PHA's principal office during normal business hours.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Minneapolis Field Office
Paul D. Wellstone Federal Building
212 Third Avenue South, Suite 150
Minneapolis, MN 55401

It has been a pleasure to assist you in this important matter. Should you have any questions or require any additional assistance, please contact Ryan Raleigh of my staff at 612.370.3020 or by e-mail at Ryan.Raleigh@hud.gov.

Sincerely,

7/18/2023

X 

Lucia M. Clausen
Director, Office of Public Housing
Signed by: LUCIA CLAUSEN

CC: Joseph R. Russell, PIH-OPHI-MTW



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Minneapolis Field Office
Paul D. Wellstone Federal Building
212 Third Avenue South, Suite 150
Minneapolis, MN 55401

5KPH MOD
5KPH Reader File

5KPH: RALEIGH: rer: (MN203 MTW Approval 7-18-2023)

McLeod County HRA Analysis of Public Comments

Overall, the proposed change to the HCV Programs to move to self-certification of assets was well received by participants. Feedback confirmed that self-certification of assets would make participating in the program easier for households.

The HRA concludes that the proposed activities are warranted based on comments received.

Kandiyohi County HRA
McLeod County HRA

Participant/Tenant/Service Provider Comments Regarding Annual Plan/MTW Plan

To gather input from Housing Choice Voucher Program Participants and Public Housing Tenants on the Kandiyohi County HRA and McLeod County HRA Annual Plans and MTW Supplements, virtual meetings were held with HCV participants and Public Housing Tenants on June 12th and June 13th. Twenty-two persons participated in the June 12th meeting and fourteen participated in the June 13th meeting.

A Somali interpreter and Spanish speaking HRA employee were present to assist with interpretation. Jill Bengtson, Executive Director of the HRAs facilitated the meeting and explained the changes approved in the previous year and proposed in the HRA's new year MTW plan. Discussion and Comments from those attending:

- Participant expressed gratitude for moving to a two-year recertification process in the previous plan year.
- Participant wanted to know if elderly and disabled would be exempt from minimum rent increases. HRA staff reiterated that elderly and disabled would be exempt.
- Participant expressed that it would make the recertification process a little easier if she did not have to gather info on assets below \$50,000 in value.
- Participant asked for clarification on what is considered income and what is considered assets. Staff provided examples.
- Participant asked if an IRA was considered income. Staff explained when an IRA is considered income (when receiving benefit) and when it is considered asset (before retirement and not taking distribution).
- Participant asked what will be different from what we are already doing now. Staff reiterated the proposed changes.

To gather input from service providers, information regarding MTW changes was presented at a local service provider meeting which was attended by representatives from Southwest Minnesota Adult Mental Health Consortium, Minnesota CareerForce, Community Corrections Office and United Community Action Programs. The MTW proposed changes were explained to the group. A participant asked what would happen if minimum rent went to \$100 and the family could not afford it. Staff explained the family could request a hardship exemption which would be granted if the reasons were allowed by the hardship policy.

2023 Hardship Policy for Approved MTW Activities

This Hardship Policy applies to the following MTW activities: 1) Payment standards; and 2) Biennial (every two years) recertification.

Household Situations Which May Create A Hardship:

- The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program;
- The family has experienced a 20% or more decrease in total household income because of changed circumstances, including loss or reduction of employment, death of a household member, or reduction in or loss of earnings or other assistance;
- The family has a 50% increase in a singular expense because of changed circumstances that will affect the family for 3 months or longer. Eligible circumstances can include medical costs for a member of the household, new or increased household member childcare costs, public transportation costs for a household member to attend secondary school or employment and education costs for a household member's secondary education not covered by student loans, grants or work study.
- The family would be evicted as a result of the implementation of MTW activities;

To be considered for a hardship exemption:

- The household must apply for all benefits for which it may be eligible, cooperate with other agencies in supplying all requested information to verify eligibility and be unsuccessful in securing other resources.
- The household's continued lack of income has not been through the fault of the household.
- The household is in compliance with all the program rules and regulations.
- The household does not owe the HRA any money or is current on a repayment agreement.
- The household must experience an increase of \$35.00 or more in total tenant payment as a direct result of the MTW initiatives.
- The household requested the hardship waiver within the deadline set by the HRA. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.

Requesting a Hardship Exception

1. The family must formally request a hardship exemption by submitting a completed Request for Hardship Exemption in written form to the HRA. The form is available upon request at the HRA's office and can be returned to the HRA by mail, fax, email or in person. The request must state both the reason for the hardship, actions the household has taken to reduce the hardship and the expected duration of the hardship.
2. The HRA will suspend the MTW activity beginning the month following the family's hardship request and set the household's TTP to the minimum rent. The suspension will continue until HRA can determine whether a hardship exists and whether the hardship is of a temporary or long-term nature. Determination will be made as soon as possible but will not take longer than 10 business days. If the request does not meet the hardship standards, MTW activities must resume and HRA will collect any retroactive rent and other fees, if applicable, through a reasonable repayment agreement. If the request does meet the hardship standards, HRA will

continue to provide an exemption from the MTW activity at a reasonable level and duration in accordance with its MTW policies.

Hardship Request Review Approval Process

Each request will be reviewed and weighed against other local, state and federal resources available to the family. The result of the review may consist in referral to other local resources and/or an adjustment in the portion of the family's rent.

Hardship Relief for the MTS activities and Notification to HCV Participants

Households who qualify and receive waiver approval may pay their portion of rent based on the calculation under the traditional HUD regulations until their next recertification or relocation. At the next regular annual or biennial recertification, or relocation, whichever comes first, the household will automatically be subject to the MTW initiatives.

Each household is only eligible for one term of relief for each MTW initiative and if the household qualifies for more than one relief at any given recertification (annual or interim), the reliefs will be calculated concurrently.

The HRA will make one of the following determinations for each hardship exemption request and provide written notification to the household:

- **NO HARDSHIP.** This determination will be made when there is no qualifying hardship. MTW activities will be reinstated and the household will be responsible for repaying the HRA any excess HAP payments made on behalf of the family between the time of hardship request suspension and HRA determination.
- **TEMPORARY HARDSHIP.** This determination will be made when there is a qualifying hardship that it is of a temporary nature and lasting 90 days or less from the date of the family's request. At the end of the 90-day period, the MTW activity will be imposed retroactively to the time of suspension and the HRA will offer a reasonable repayment agreement for any costs paid by the HRA on the family's behalf during the period of suspension.
 - **Remedy:** The PHA will set the household's TTP to the \$50 minimum rent for up to three months (90 days).
- **LONG-TERM HARDSHIP.** This determination will be made when there is a long-term hardship lasting more than 90 days and up to 36 months as determined on a case by case basis in consultation with the household. The Hardship Policy will allow the authority the flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis.
 - **Remedy:** The PHA will set the household's TTP to the \$50 minimum rent for up to 36 months as determined by a case by case basis in consultation with the household and per their anticipated hardship duration. Households at zero income will be required to have interim reexaminations at 3-month intervals. Zero income households must report income changes when income begins. A hardship will be considered as concluded when the household's income returns to the same level as it was at the time of hardship request, when the expenses for which the hardship was granted are reduced to \$0 or at the 36 month ending date.

Grievance Procedure

Families who disagree with the hardship review decision may appeal the determination through the HRA's existing grievance process.

Reasonable Accommodation

The HRA will notify residents of its hardship policy at intake, review its hardship policy with residents at recertification and consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity. Persons with disability will be allowed reasonable accommodation as required by law.

Record Keeping

The HRA will maintain records of hardship requests and determinations. Information will include household name, date of request, reason for request and outcome of request and reason for determination of outcome. These records will be kept for the duration of the HRA's participation in the MTW program, will be available for public review and inspection at the HRA's principal office during normal business hours and supplied to HUD if requests. Under Minnesota Data Privacy laws, names of assisted households are considered private information and will not be provided to the general public for review.

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- The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program;
- The family has experienced a 20% or more decrease in total household income because of changed circumstances, including loss or reduction of employment, death of a household member, or reduction in or loss of earnings or other assistance;
- The family has a 50% increase in a singular expense because of changed circumstances that will affect the family for 3 months or longer. Eligible circumstances can include medical costs for a member of the household, new or increased household member childcare costs, public transportation costs for a household member to attend secondary school or employment and education costs for a household member's secondary education not covered by student loans, grants or work study.
- The family would be evicted as a result of the implementation of MTW activities;

To be considered for a hardship exemption:

- The household must apply for all benefits for which it may be eligible, cooperate with other agencies in supplying all requested information to verify eligibility and be unsuccessful in securing other resources.
- The household's continued lack of income has not been through the fault of the household.
- The household is in compliance with all the program rules and regulations.
- The household does not owe the HRA any money or is current on a repayment agreement.
- The household must experience an increase of \$35.00 or more in total tenant payment as a direct result of the MTW initiatives.
- The household requested the hardship waiver within the deadline set by the HRA. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.

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1. The family must formally request a hardship exemption by submitting a completed Request for Hardship Exemption in written form to the HRA. The form is available upon request at the HRA's office and can be returned to the HRA by mail, fax, email or in person. The request must state both the reason for the hardship, actions the household has taken to reduce the hardship and the expected duration of the hardship.
2. The HRA will suspend the MTW activity beginning the month following the family's hardship request and set the household's TTP to the minimum rent. The suspension will continue until HRA can determine whether a hardship exists and whether the hardship is of a temporary or long-term nature. Determination will be made as soon as possible but will not take longer than 10 business days. If the request does not meet the hardship standards, MTW activities must resume and HRA will collect any retroactive rent and other fees, if applicable, through a reasonable repayment agreement. If the request does meet the hardship standards, HRA will

continue to provide an exemption from the MTW activity at a reasonable level and duration in accordance with its MTW policies.

Hardship Request Review Approval Process

Each request will be reviewed and weighed against other local, state and federal resources available to the family. The result of the review may consist in referral to other local resources and/or an adjustment in the portion of the family's rent.

Hardship Relief for the MTS activities and Notification to HCV Participants

Households who qualify and receive waiver approval may pay their portion of rent based on the calculation under the traditional HUD regulations until their next recertification or relocation. At the next regular annual or biennial recertification, or relocation, whichever comes first, the household will automatically be subject to the MTW initiatives.

Each household is only eligible for one term of relief for each MTW initiative and if the household qualifies for more than one relief at any given recertification (annual or interim), the reliefs will be calculated concurrently.

The HRA will make one of the following determinations for each hardship exemption request and provide written notification to the household:

- **NO HARDSHIP.** This determination will be made when there is no qualifying hardship. MTW activities will be reinstated and the household will be responsible for repaying the HRA any excess HAP payments made on behalf of the family between the time of hardship request suspension and HRA determination.
- **TEMPORARY HARDSHIP.** This determination will be made when there is a qualifying hardship that it is of a temporary nature and lasting 90 days or less from the date of the family's request. At the end of the 90-day period, the MTW activity will be imposed retroactively to the time of suspension and the HRA will offer a reasonable repayment agreement for any costs paid by the HRA on the family's behalf during the period of suspension.
 - **Remedy:** The PHA will set the household's TTP to the \$50 minimum rent for up to three months (90 days).
- **LONG-TERM HARDSHIP.** This determination will be made when there is a long-term hardship lasting more than 90 days and up to 36 months as determined on a case by case basis in consultation with the household. The Hardship Policy will allow the authority the flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis.
 - **Remedy:** The PHA will set the household's TTP to the \$50 minimum rent for up to 36 months as determined by a case by case basis in consultation with the household and per their anticipated hardship duration. Households at zero income will be required to have interim reexaminations at 3-month intervals. Zero income households must report income changes when income begins. A hardship will be considered as concluded when the household's income returns to the same level as it was at the time of hardship request, when the expenses for which the hardship was granted are reduced to \$0 or at the 36 month ending date.

Grievance Procedure

Families who disagree with the hardship review decision may appeal the determination through the HRA's existing grievance process.

Reasonable Accommodation

The HRA will notify residents of its hardship policy at intake, review its hardship policy with residents at recertification and consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity. Persons with disability will be allowed reasonable accommodation as required by law.

Record Keeping

The HRA will maintain records of hardship requests and determinations. Information will include household name, date of request, reason for request and outcome of request and reason for determination of outcome. These records will be kept for the duration of the HRA's participation in the MTW program, will be available for public review and inspection at the HRA's principal office during normal business hours and supplied to HUD if requests. Under Minnesota Data Privacy laws, names of assisted households are considered private information and will not be provided to the general public for review.

FY 2022 Impact Analysis for 2-year Reexaminations

Activity: Move all HCV and PH households from an annual reexamination schedule to a 2-year reexamination schedule. The HRA will continue to allow interims at any time at a household's request. Applies to all assisted households. The HRA will start transitioning families to the different reexamination schedule once approved by HUD based on the month of the next reexamination. Those scheduled for reexamination in the month closest to the HUD approval date for which the HRA has not started any reexaminations for that month will have reexaminations completed in that year. Households scheduled for reexaminations in the 3rd, 5th, 7th, 9th and 11th months after HUD approval will also have reexaminations completed. Households in months 2, 4, 6, 8, 10 and 12 will move to the 2nd year for reexamination.

The reduction in the frequency of reexaminations provides an incentive to work for all families—including elderly families and/or people with disabilities who wish to be employed—who will not be subject to a rent increase when their income increases resulting in self-sufficiency successes such as new employment or job promotion. Through this activity, the HRA is reducing the regulatory burden both on the participant families and staff to allow a greater focus on people and smaller focus on paperwork.

How will the following be impacted?

Agency Finances: Initially, there should be an increase in HAP costs since income increases will no longer be reported, however, HAP costs should level out over time. URP costs should not be affected by the proposed MTW activity. If the activity is approved, the HRA will baseline the current HAP/URP data and compare it to the data in each successive year. In regards to administrative costs, the HRA anticipates those costs will not change, however, how staff time is used will change. Some staff time will be reduced on processing annual reexaminations but time to process interim reexaminations may increase. Overall, the HRA anticipates reducing reexamination time by 30% which will allow staff to focus more time on MTW activity tracking and planning.

Affordability of Housing Costs for Affected Households: The HRA anticipates that housing will be more affordable for households who have increases in income but are not having to undergo an annual reexamination which would increase their portion of rent. Because the family can keep more of their wages, rent burden should go down and the family should have additional cash flow for other household needs. The HRA will track total rent, total TPP, total TPP as a % of household income, total HAP and total URP from year to year to determine impact on households.

Waiting List: Because this activity affects re-certifications for households who are already on the program, there will be no impact to the HCV or PH waiting lists.

Termination Rate of Households: The HRA does not anticipate the rate of terminations to increase for households due to implementing two-year reexaminations. The HRA will track each year the number of terminations, the actions taken by the HRA if any to prevent termination, the number of appeal requests, reasons for appeal and appeal outcomes.

Housing Choice Voucher Utilization: The HRA does not anticipate that HCV Voucher Utilization will decrease. Occupancy/Utilization may actually increase due to household's not needing to return

paperwork annually and not needing to report income increases in between reexaminations. The HRA will track its PH Occupancy/HCV Voucher Utilization to determine impact.

Meeting the MTW Statutory Objectives: Cost Effectiveness, Self-Sufficiency, Housing Choice

This activity will meet the statutory goals of cost effectiveness and self-sufficiency. Although the HRA does not anticipate a reduction in administrative costs, an intended outcome of the activity is that HRA staff will be able to devote more time (approximately 30%) for future MTW activity planning, data research/tracking/analysis and tenant activity planning. The HRA will track the number of interim reexaminations completed annually to determine impact on overall reexaminations completed.

An anticipated outcome of the activity is to allow households an additional year of increased work earnings that will not be counted towards income until their next two-year recertification to allow greater self-sufficiency for the household.

Meeting the MTW Statutory Requirements: Very Low-Income Requirement, Reasonable Rent Policy Requirement, Substantially the Same Requirement, Comparable Mix Requirement, Housing Quality Standards Requirement

The HRA's Housing Choice Voucher Program will continue to meet all the Statutory Requirements. Implementation will not change how the programs meet the requirements.

Hardship Requests and the Number of Hardships Granted or Denied

The activity may create hardship for those having income decreases. The HRA will implement the attached hardship policy and track the number of hardships received each year, reason for the hardship requests and the whether the hardship is granted or denied.

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 (07/01/2023), 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.

McLeod County Housing and Redevelopment Authority

MN203

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).

James Lindeman

Chair

NAME OF AUTHORIZED OFFICIAL

TITLE



6/29/23

SIGNATURE

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.*