

PHA Name : Medford Housing Authority

PHA Code : MA015

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 10/1/2023

PHA Program Type: Combined

MTW Cohort Number: Asset Building

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

In September 2022 the Medford Housing Authority (MHA) was designated by the US Department of Housing and Urban Development (HUD) as a Moving to Work (MTW) agency as part of the Asset Building Cohort. Participation in the MTW program, which extends for a twenty-year initial term, provides MHA with significant programmatic and financial flexibility and the ability to implement innovative solutions that address local needs and priorities. Activities and initiative proposed under the MTW program must meet at least one of the following statutory objectives: 1) Increase affordable housing choices; 2) Increase cost effectiveness; and/or 3) Promote resident self-sufficiency.

MHA intends to utilize MTW flexibility to build strong relationships with residents and resident organizations, streamline operations, provide expanded housing choices for voucher program participants, and support public housing residents and Housing Choice Voucher (HCV) program participants and their families in achieving self-sufficiency.

Pursuant to the HUD MTW Operations Notice, MHA is required to submit a MTW Supplement to the Annual PHA Plan that describes proposed MTW activities and waivers for the next fiscal year. As part of the Annual PHA Plan process, the MTW Supplement is posted for public review and comment, including a required public hearing, and is subject to review and approval by the MHA Board before submission to HUD. For its first full year of MTW participation, MHA intends to begin implementation of the following activities, each of which is further described in this MTW Supplement:

As a participant in the MTW Asset Building Cohort, which will evaluate asset building initiatives and their effect on assisted households in the public housing and HCV programs, MHA plans to implement a locally-designed asset building initiative that encourages the growth of savings accounts and aims to build credit for assisted public housing and HCV households, as applicable. Households may opt out of this program if they do not wish to participate. The components of this initiative include: 1) Savings Accounts & Financial Incentives: MHA will establish savings accounts for 100 households (including both HCV and public housing) and will contribute \$50 per month to these accounts for a period of two years. MHA will offer additional financial incentives for participating households such as bonus deposits for participating in financial literacy courses and budgeting workshops. 2) Credit-Building: MHA will provide up to 50 public housing households with the opportunity to have their monthly rent payments reported to one or more credit bureaus. This will assist households in building and/or improving their credit scores for the purpose of furthering future goals such as homeownership. This MTW Supplement includes proposed cohort-specific waivers 5.1.a and 5.1.b as needed to implement the asset building initiative. HUD training materials indicate that such waiver requests should be included in the MTW Supplement in the same way as an agency-specific waiver; however, an impact analysis and hardship policy are not required. Accordingly, MHA has included the cohort-specific waiver requests in the agency-specific waiver section of the online MTW Supplement.

In addition to the asset building initiative and related cohort-specific waivers, MHA proposes to utilize three MTW waivers applicable to the HCV program: 1) Rent Reasonableness – Third Party Requirement (MTW Activity 2.d.), which authorizes MHA to perform rent reasonable determinations on Project Based Voucher (PBV) units that it owns, manages, and/or controls; 2) Housing Quality Standards – Third Party Requirement (MTW Activity 5.c.), which authorizes MHA to perform HQS inspections on PBV units that it owns, manages, and/or controls. 3) Increase PBV Rent to Owner (MTW Activity 9.g.), which authorizes MHA to develop a local process to determine the initial and redetermined rents to PBV owners. These activities are intended to streamline and improve the cost effectiveness of program operations while expanding housing choices for HCV voucher holders.

All proposed MTW activities meet HUD safe harbor standards as described in the MTW Operations Notice. Additional information on each proposed activity is included in this MTW Supplement. Over the course of the coming year, MHA will continue to review and analyze other potential MTW Activities and intends to propose additional initiatives in future MTW Supplements.

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	
2. Payment Standards and Rent Reasonableness	
d. Rent Reasonableness – Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
3. Reexaminations	
4. Landlord Leasing Incentives	
5. Housing Quality Standards (HQS)	
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
6. Short-Term Assistance	
7. Term-Limited Assistance	
8. Increase Elderly Age (PH & HCV)	
9. Project-Based Voucher Program Flexibilities	
g. Increase PBV Rent to Owner (HCV)	Plan to Implement in the Submission Year
10. Family Self-Sufficiency Program with MTW Flexibility	
11. MTW Self-Sufficiency Program	
12. Work Requirement	
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
14. Moving on Policy	
15. Acquisition without Prior HUD Approval (PH)	
16. Deconcentration of Poverty in Public Housing Policy (PH)	
17. Local, Non-Traditional Activities	

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

2.d. - Rent Reasonableness – Third-Party Requirement (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>MHA will use MTW flexibility to eliminate the requirement for a third party to conduct rent reasonableness on Project Based Voucher (PBV) units that MHA owns, manages or controls. This activity waives certain provisions of 24 CFR 982.352(b) and 983.303. Under current HUD regulations, MHA is required to utilize an independent third party to determine rent reasonableness for PBV units in this category, which incurs cost and additional staff time. MHA will implement this activity within the safe harbor limits established by the MTW Operations including the following: 1) MHA will establish and make available a quality assurance method to ensure impartiality; 2) MHA will make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and, 3) Upon HUD request, MHA will obtain services of a third-party entity to determine rent reasonableness for PHA-owned units.</p> <p>This waiver supports MHA objectives to use MTW flexibility to streamline operations, improve cost effectiveness and expand housing choice.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p>

The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. PBV units that MHA owns, manages and/or controls.
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 new activity.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Please explain or upload a description of the quality assurance method. See attached QA method. This document is attached.
Please explain or upload a description of the rent reasonableness determination method. See attached rent reasonableness determination method. This document is attached.

5.c. - Third-Party Requirement (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative MHA will use MTW flexibility to eliminate the requirement for a third party to conduct HQS inspections on Project Based Voucher (PBV) units that MHA owns, manages or controls. This activity waives certain provisions of section 8(o)(11) of the 1937 Act, 24 CFR 982.352(b)(iv) and 24 CFR 983.103(f). Under current HUD regulations, MHA is required to utilize an independent third party to perform inspections on PBV units in this category, which incurs cost and additional staff time. MHA will implement this activity within the safe harbor limits established by the MTW Operations including the following: 1) MHA will establish and make available a quality assurance method to ensure an objective analysis; 2) Participants will be able to request an interim inspection; 3) MHA will not alter the HQS inspection standards found at 24 CFR 982.401; and, 3) Upon HUD request, MHA will obtain services of a third-party entity to determine if MHA-owned units pass HQS. This activity supports MHA goals to streamline program operations, improve cost effectiveness and expand housing choice.
Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

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

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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

This activity applies to PBV units owned, managed or controlled by MHA.

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.

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

No

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

Following will explain the quality assurance method

See attached QA method.

This document is attached.

9.g. - Increase PBV Rent to Owner (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

MHA will utilize MTW flexibility to increase Project Based Voucher (PBV) rents to owners and to establish a local process to determine the initial and redetermined rent for PBV units. This activity waives certain provisions of section 8(o)(1)(B) and 8(o)(13)(H) of the 1937 Act and 24 CFR 982.503-505 and 983.301. The MHA local rent determination process will allow the agency to establish rents for PBV developments located within zip code 02155 at the lowest of: 110% of the applicable Small Area Fair Market Rent; the reasonable rent; or, the owner requested rent. MHA meets all applicable safe harbors for this waiver. All approved rents will comply with program requirements for rent reasonableness, as modified

pursuant to proposed MTW Activity 2.d.

This waiver supports the MHA goal to expand housing choice.

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

Housing choice

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

Increased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

The MTW activity applies to all 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.

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

No

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>Yes, the Agency-Specific Waiver request is attached.</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
2021	\$2,847,993	\$2,847,993	\$0	2029-09-30
2022	\$2,810,559	\$2,810,559	\$0	2030-09-30
2023	\$3,182,698	\$2,387,024	\$795,674	2031-09-30

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

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

G.2	Establishing Reasonable Rent Policy.
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency? Yes	

G.3	Substantially the Same (STS) – Local, Non-Traditional.
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?
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G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	

Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
1 Person	0
2 Person	0
3 Person	0
4 Person	0
5 Person	0
6+ Person	0
Totals	0

H.	Public Comment
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.
No known evaluations.	

Medford Housing Authority
Asset Building Cohort-Specific Waivers 5.1.a. and 5.1.b.

Medford Housing Authority (MHA) is participating in the MTW Asset Building Cohort, which will evaluate asset building initiatives and their effect on assisted households in the Public Housing and HCV programs. As part of the MTW application submitted to and accepted by HUD, MHA proposed a local asset building program that encourages the growth of savings accounts for both Public Housing and HCV households and aims to build credit for Public Housing residents. All federal Public Housing and HCV households are eligible to participate. Participants will be randomly selected by MHA. The program is voluntary, and households may opt out if they do not wish to participate. The primary components of this initiative include:

- **Savings Accounts & Financial Incentives:** MHA will establish savings accounts for approximately 100 households across the Public Housing and HCV programs and will contribute \$50 per month to each savings account for a period of two years. MHA will offer additional financial incentives for participating households such as bonus deposits for participating in financial literacy courses and budgeting workshops.
- **Credit-Building:** MHA will provide up to 50 Public Housing households with the opportunity to have their monthly rent payments reported to one or more credit bureaus. This will assist households in building and/or improving their credit scores for the purpose of furthering future goals such as homeownership.

Under HUD regulations, a household must opt-in under a Contract of Participation (COP) in a Family Self-Sufficiency (FSS) program to receive funds through an escrow savings account. However, MHA will not require households to participate in the FSS program or enter into an FSS COP to receive savings accounts. Accordingly, as specified in PIH Notice 2022-11, MTW cohort-specific waivers 5.1.a. and 5.1.b. are required to implement the opt-out savings account component of MHA’s asset building initiative. The proposed MTW cohort-specific waivers are described below:

<p>Cohort 5.1.a. Opt-Out Savings Account (Public Housing) – MHA is authorized to provide funds to Public Housing-assisted households with the goal of increasing savings of assisted households.</p>
<p>Statutes and Regulations Waived: Certain provisions of sections 23(b)-(f), and (n)(1) of the 1937 Act and 24 CFR 984.101-105, 984.201-204, 984.301-306 and 984.401.</p>
<p>Description: As part of the MTW asset building initiative, MHA will establish savings accounts for approximately 100 randomly selected households across the Public Housing and HCV programs and will contribute \$50 per month to each savings account for a period of two years. Savings account contributions will not be tied to or impacted by household income. Households will not be required to participate in the FSS program or enter into an FSS Contract of Participation. Participation is voluntary and randomly selected households may elect to opt-out of the program. MHA will offer additional financial incentives for participating households such as bonus deposits for participating in financial literacy courses and budgeting workshops. MHA will comply with all applicable safe harbors as noted below. This activity supports the MTW statutory objective of supporting economic self-sufficiency. HUD does not require an impact analysis or hardship analysis for this waiver.</p>
<p>Eligibility: All federal Public Housing households are eligible to participate in the asset building savings program under this waiver.</p>
<p>Safe Harbors: MHA will comply with all required safe harbors including the following:</p> <ul style="list-style-type: none"> i. MHA will continue to follow all requirements of 2 CFR part 200. ii. 24 CFR 984.305(a) on accounting and reporting will be retained.

- iii. MHA will contribute at least \$10 per month for the benefit of each assisted household participating in the savings program.
- iv. MHA will not contribute more per month for the benefit of each assisted household participating in the savings program than the applicable fair market rent of the unit in which they reside.
- v. MHA will provide an opportunity for households to opt-out of this activity.

Cohort 5.1.b. Opt-Out Savings Account (HCV) – MHA is authorized to provide funds to HCV-assisted households with the goal of increasing savings of assisted households.

Statutes and Regulations Waived: Certain provisions of sections 23(b)-(f), and (n)(1) of the 1937 Act and 24 CFR 984.101-105, 984.201-204, 984.301-306 and 984.401.

Description: As part of the MTW asset building initiative, MHA will establish savings accounts for approximately 100 randomly selected households across the Public Housing and HCV programs and will contribute \$50 per month to each savings account for a period of two years. Savings account contributions will not be tied to or impacted by household income. Households will not be required to participate in the FSS program or enter into an FSS Contract of Participation. Participation is voluntary and randomly selected households may elect to opt-out of the program. MHA will offer additional financial incentives for participating households such as bonus deposits for participating in financial literacy courses and budgeting workshops. MHA will comply with all applicable safe harbors as noted below. This activity supports the MTW statutory objective of supporting economic self-sufficiency. HUD does not require an impact analysis or hardship analysis for this waiver.

Eligibility: All HCV assisted households are eligible to participate in the asset building savings program under this waiver.

Safe Harbors: MHA will comply with all required safe harbors including the following:

- i. MHA will continue to follow all requirements of 24 CFR part 200.
- ii. 24 CFR 984.305(a) on accounting and reporting will be retained.
- iii. MHA will contribute at least \$10 per month for the benefit of each assisted household participating in the savings program.
- iv. MHA will not contribute more per month for the benefit of each assisted household participating in the savings program than the applicable fair market rent of the unit in which they reside.
- v. MHA will provide an opportunity for households to opt-out of this activity.

MEDFORD HOUSING AUTHORITY

RENT REASONABLENESS METHODOLOGY – ACTIVITY 2.D.

The Medford Housing Authority (“MHA”) will perform rent reasonableness determinations on Project Based Voucher (PBV) units that are owned, managed and/or controlled by MHA.

Described below are the methods to be used to determine the rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area.

A. Description of Moving to Work (MTW) Activity

Pursuant to the MTW Operations Notice and upon approval of MTW waiver 2.d. MHA will be authorized to conduct rent reasonableness on PBV units that MHA owns, manages, or controls. Under this activity, MHA will adhere to the following guidelines:

- MHA shall establish and make available its QA method to ensure an objective analysis.
- MHA will make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area, as described below.
- Upon HUD request, MHA will obtain the services of a third-party entity to determine rent reasonableness for MHA-owned units.

B. Rent Reasonableness Methodology

MHA will utilize a qualified consultant and/or independent database which will collect and maintain data on market rents in the MHA's jurisdiction. Information sources may also include owner rent rolls, newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes.

The data will be updated on an ongoing basis and rent information that is more than 12 months old will be archived on the MHA's shared drive and/or on the independent database. Market Rent Data greater than 12 months old will not be used for eligibility but may be used for reference.

How Rents Are Determined

- The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. MHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, MHA may adjust the range of prices to account for these differences.
- The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).
- MHA uses a unit-to-unit comparison, by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area. Geocoded maps will be used to identify the non-assisted units in closest proximity to the subject unit, and unit data information will be used to select the most similar units.

- In comparing rents, MHA will consider critical market factors that impact rent, including the location, quality, size, unit type, and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.
- Where comparable units differ from the unit proposed for HCV assistance, MHA will determine whether those differences impact rent. Where they do, MHA will adjust the rental value of the comparable units, up or down, based on the market value of these factors. The rent for the unit proposed for HCV assistance will be compared to the adjusted rents for the comparable units, enabling a fair, accurate, market-based determination of rent reasonableness.
- Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom). The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs).
- When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \488 .

MEDFORD HOUSING AUTHORITY

RENT REASONABLENESS QUALITY ASSURANCE METHOD – ACTIVITY 2.D.

The Medford Housing Authority (“MHA”) will perform rent reasonableness determinations on Project Based Voucher (PBV) units that are owned, managed and/or controlled by MHA.

To ensure the consistency and uniformity of these rent reasonableness determinations, MHA has established a Quality Assurance (QA) method in accordance with the policies described below.

A. Description of Moving to Work (MTW) Activity

Pursuant to the MTW Operations Notice and upon approval of MTW waiver 2.d. MHA will be authorized to conduct rent reasonableness on PBV units that MHA owns, manages, or controls. Under this activity, MHA will adhere to the following guidelines:

- MHA shall establish and make available its QA method, as described below, to ensure an objective analysis.
- MHA will make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area.
- Upon HUD request, MHA will obtain the services of a third-party entity to determine rent reasonableness for MHA-owned units.

B. Quality Assurance – General Principles

1. MHA operates its housing assistance program with efficiency and uses resources in a manner that reflects commitment to quality and service. MHA’s policies and practices are generally consistent with Section 8 Management Assessment Program (SEMAP) goals and objectives.
2. To demonstrate compliance with HUD and other pertinent regulations, MHA 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 MHA’s operational procedures and practices objectively and accurately.
3. Additionally, MHA will use the results reported in any independent audit (IPA) or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the MHA’s error detection and abuse prevention efforts.
4. MHA 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 MHA 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. MHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

C. Rent Reasonableness Methodology

MHA will utilize a qualified consultant and/or independent database which will collect and maintain data on market rents in the MHA’s jurisdiction. Information sources may also include owner rent rolls,

newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes.

The data will be updated on an ongoing basis and rent information that is more than 12 months old will be archived on the MHA's shared drive and/or on the independent database. Market Rent Data greater than 12 months old will not be used for eligibility but may be used for reference.

How Rents Are Determined

- The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. MHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, MHA may adjust the range of prices to account for these differences.
- The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).
- MHA uses a unit-to-unit comparison, by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area. Geocoded maps will be used to identify the non-assisted units in closest proximity to the subject unit, and unit data information will be used to select the most similar units.
- In comparing rents, MHA will consider critical market factors that impact rent, including the location, quality, size, unit type, and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.
- Where comparable units differ from the unit proposed for HCV assistance, MHA will determine whether those differences impact rent. Where they do, MHA will adjust the rental value of the comparable units, up or down, based on the market value of these factors. The rent for the unit proposed for HCV assistance will be compared to the adjusted rents for the comparable units, enabling a fair, accurate, market-based determination of rent reasonableness.
- Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom). The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs).
- When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \488 .

D. Quality Assurance Protocol – MHA-Owned units

The following QA protocol applies to rent reasonableness determinations performed on MHA-owned units:

1. MHA staff will run the initial rent reasonableness determination at all required times (i.e. before HAP contract execution, before any increase in the rent to owner, if there is a 10% decrease in the published FMR in effect 60 days before the contract anniversary date, and/or as directed by HUD) utilizing the protocol and methodology described above.
2. All rent reasonableness determinations on MHA-owned units will require an additional level of review by a department supervisor.
3. Upon completion of the initial determination by the MHA staff person, the staff person will be required to obtain additional review and approval from a department supervisor before the rent amounts may be approved.
4. The department supervisor will review the information provided in the rent reasonableness software as well as the initial determination made by the staff person and will make a final determination on the approved rent amounts.
5. This second level of review will ensure that rent reasonableness determination of MHA-owned units is objective, consistent and compliant with all requirements and protocols.
6. If requested by HUD, MHA will obtain the services of a third-party entity to determine rent reasonableness for MHA-owned units.

MEDFORD HOUSING AUTHORITY

HQS INSPECTION QUALITY ASSURANCE METHOD – ACTIVITY 5.C.

The Medford Housing Authority (“MHA”) or its qualified designee will perform HUD Housing Quality Standards (HQS) inspections – as updated and/or replaced by National Standards for the Physical Inspection of Real Estate (NSPIRE) – on Project Based Voucher (PBV) units that are owned, managed and/or controlled by MHA.

To ensure the consistency and uniformity of these inspections, MHA shall perform Quality Assurance (QA) inspections on a random sample of inspections completed on MHA-owned units in accordance with the policies described below.

A. Description of Moving to Work (MTW) Activity

Pursuant to the MTW Operations Notice and upon approval of MTW waiver 5.c. MHA will be authorized to perform HUD-required inspections on PBV units that it owns, manages, and/or controls. The MHA may hire a qualified consultant or contractor to perform any stage of the inspection process and any reference to “MHA” or any MHA staff person following should be interpreted to include a qualified consultant or contractor in addition to or instead of MHA staff.

Under this activity, MHA will adhere to the following guidelines:

1. MHA shall establish and make available its QA method, as described below, to ensure an objective analysis.
2. Participants will be able to request an interim inspection.
3. MHA will not alter the HQS inspection standards found at 24 CFR 982.401
4. Upon HUD request, MHA will obtain the services of a third-party entity to determine if MHA-owned units pass HQS.

B. Quality Assurance – General Principles

1. MHA operates its housing assistance program with efficiency and uses resources in a manner that reflects commitment to quality and service. MHA’s policies and practices are generally consistent with Section 8 Management Assessment Program (SEMAP) goals and objectives.
2. To demonstrate compliance with HUD and other pertinent regulations, MHA 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 MHA’s operational procedures and practices objectively and accurately.
3. Additionally, MHA will use the results reported in any independent audit (IPA) or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the MHA’s error detection and abuse prevention efforts.
4. MHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. For MHA 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. MHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

C. Quality Assurance Protocol – MHA-Owned Units

The following QA protocol applies to QA inspections of MHA-owned units:

1. QA inspections of MHA-owned units will be performed on a quarterly basis.
2. An MHA supervisor will reinspect a random sample of units under contract during the fiscal year.
3. The MHA supervisor responsible for the QA reinspection shall not be the same individual who completed the original inspection of the unit.
4. The universe for the random sample is the number of MHA-owned units under HAP contract, and will be consistent with SEMAP HQS QA protocol below:

Universe	Minimum number of QA re-inspections 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

5. The QA sample will be drawn from recently completed HQS inspections of MHA-owned units (i.e. inspections completed within the last three months).
6. The MHA supervisor or other authorized staff person will reinspect the unit and will record the results of all QA inspections.
7. The MHA supervisor or other authorized staff person will periodically review the results of all QA inspections and will report any issues identified to the Executive Director as well as related recommendations and follow-up actions.
8. MHA will take prompt corrective action to address all identified issues. Corrective action may include conducting additional training for inspectors, establishing performance improvement plans for individual inspectors with identified issues, increasing the frequency and/or volume of QA inspections conducted during the year, and/or facilitating other modifications to MHA’s internal protocols and procedures.
9. If requested by HUD, MHA will obtain the services of a third-party entity to determine if MHA-owned units pass HQS.

**MEDFORD HOUSING AUTHORITY
FY 2024 ANNUAL PHA PLAN AND MTW SUPPLEMENT
PUBLIC COMMENT AND MHA RESPONSES**

The Medford Housing Authority (MHA) requested public review and comments and conducted public meetings and a hearing on MHA's Fiscal Year 2024 PHA Annual Plan including the Moving to Work (MTW) Supplement in accordance with HUD requirements:

- The public comment period extended from May 22, 2023, through July 5, 2023.
- MHA conducted three (3) public meetings for the Resident Advisory Board, tenant associations and the general public, one of which was held before the start of the public comment period. The meetings were held on March 7, 2023, June 21, 2023, and July 5, 2023. Additionally, the MHA Resident Services Department continues to present and discuss MHA's MTW activities with community partners.
- Following the public comment period, MHA conducted a public hearing on July 5, 2023.

Public Comments and MHA Responses

At the public meeting, MHA staff presented an overview of the FY 2024 Annual PHA Plan and the MTW Supplement.

MHA reviewed the Annual PHA Plan elements including continued plans for repositioning its public housing portfolio, planned modernization and development initiatives, and various other management initiatives. MHA also reviewed its Resident service activities and how the MTW designation aligns with the MHA's goals and objectives.

MHA reviewed the MTW Supplement elements noting that this is the first MTW Supplement, which is required as part of the Annual PHA Plan process for agencies that are part of the MTW Expansion program. It was indicated that, as a participant in the MTW Asset Building Cohort, which will evaluate asset building initiatives and their effect on assisted households in the public housing and HCV programs, MHA plans to implement a locally-designed asset building initiative that encourages the growth of savings accounts and aims to build credit for assisted public housing and HCV households, as applicable. Households may opt out of this program if they do not wish to participate. The components of this initiative include: 1) Savings Accounts & Financial Incentives: MHA will establish savings accounts for 100 households (including both HCV and public housing) and will contribute \$50 per month to these accounts for a period of two years. MHA will offer additional financial incentives in year 2 for participating households such as bonus deposits for participating in financial literacy courses and budgeting workshops. 2) Credit-Building: MHA will provide up to 50 public housing households with the opportunity to have their monthly rent payments reported to one or more credit bureaus. This will assist households in building and/or improving their credit scores for the purpose of furthering future goals such as homeownership.

It was noted that the MTW Supplement includes proposed "cohort-specific" waivers 5.1.a and 5.1.b, which are needed to implement the asset building initiative. In addition, MHA discussed three other MTW waivers included in the MTW Supplement that are applicable to the HCV program: 1) Rent Reasonableness – Third Party Requirement (MTW Activity 2.d.), which authorizes MHA to perform rent reasonable

determinations on Project Based Voucher (PBV) units that it owns, manages, and/or controls; 2) Housing Quality Standards – Third Party Requirement (MTW Activity 5.c.), which authorizes MHA to perform HQS inspections on PBV units that it owns, manages, and/or controls. 3) Increase PBV Rent to Owner (MTW Activity 9.g.), which authorizes MHA to develop a local process to determine the initial and redetermined rents to PBV owners. These activities are intended to streamline and improve the cost effectiveness of program operations while expanding housing choices for voucher holders.

It was also noted that over the coming years, MHA intends to utilize MTW flexibility to benefit residents and program participants and to support the agency's mission and strategic objectives.

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

- Residents indicated their enthusiasm for all the work, upgrades and changes occurring at the Medford Housing Authority.
- Residents are pleased that the MHA is focused on resident self-sufficiency.

MHA indicated that the agency 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 expand housing opportunities and services to MHA residents, MHA HCV program participants and the Medford community.

**MEDFORD HOUSING AUTHORITY
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**EXTRACT OF MINUTES
REGULAR MEETING OF MEMBERS
MEDFORD HOUSING AUTHORITY
HELD ON
JULY 13, 2023**

At a Regular Meeting of the members of the Medford Housing Authority held on Thursday, July 13, 2023 at 5:00 p.m., a quorum being present, the Chair Caileen Foley, presented the following item for consideration:

7. New Business

c) Resolution No. 2023-062

Approval of the Moving to Work (MTW) Supplement to Annual PHA Plan FYB23.

- MTW Certifications of Compliance

Upon a motion by Commissioner Luongo, duly seconded by Commissioner Hollien, Jr., it was unanimously voted to accept the request by the Executive Director to approve the Moving to Work (MTW) Supplement to Annual PHA Plan FYB23.

The Ayes and Nays were as follows:

Ayes	Nays	Absent	Abstention
Commissioner Michael Luongo Commissioner Caileen Foley Commissioner Paul Hollien, Jr.		Commissioner James Lister	

A True and Correct Copy

Attest:


Jeffrey L. Driscoll
Secretary

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 (10/01/2023), 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 I (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 CFR 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 identity, 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 C.F.R. 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 C.F.R. 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 C.F.R. 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 C.F.R. 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 C.F.R. Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 C.F.R. Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of housing quality standards as required in PHA 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 C.F.R. 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 Waiver 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.

Medford Housing Authority

MA015

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).

Caitlen Foley

Chair, Board of Commissioners

NAME OF AUTHORIZED OFFICIAL

TITLE

Caitlen B Foley

7/13/2023

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.*