

PHA Name : Housing Authority Of The City Of Salem

PHA Code : OR011

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.

Salem Housing Authority (SHA) is pleased to submit this Fiscal Year (FY) 2023 Moving to Work Supplement component of the Annual PHA Plan. HUD designated SHA as a Moving to Work (MTW) Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts, increased economic mobility, and/or credit building for assisted households. SHA's MTW Plan and Application selected the HUD-defined "Opt-Out Savings Account" as the initial MTW asset building activity. SHA looks forward to working with HUD and the evaluation team to develop and implement asset building activities and to better understand perspectives and experiences of households participating in the "Opt-Out Savings Account" initiative through the program evaluation process. Additionally, SHA will actively participate in the Community of Practice with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to this initiative.

This supplement identifies the MTW waivers and activities that SHA will implement in its first MTW Fiscal Year to achieve the three MTW statutory objectives, as well as the goals of the asset building cohort, which are outlined in more detail below.

Statutory Objective 1: Reduce cost and achieve greater cost-effectiveness in federal expenditures.

In our first year as a MTW agency, SHA will leverage MTW authority to implement a range of waivers to achieve administrative efficiencies and cost-effectiveness. These waivers will enable SHA to provide a higher level of customer service and connection with program participants, and to reduce administrative burden for participants and property owners. Program participants will benefit from alternative income inclusions / exclusions, alternative re-exam schedule, and self-certification of assets. Removal of requirements for third party assistance with certain Housing Quality Standards and Project-Based Voucher processes will eliminate administrative time spent coordinating with an Independent Entity to support program participants in more rapidly securing housing.

Streamlining the Rent Reasonableness process to compare units against current market studies will reduce the administrative time spent locating comparable units, maintaining, and updating a database of such comparable units, and will provide property owners with accessible information to determine whether their requested rents will likely meet the Rent Reasonableness test. Additionally, a simplified utility allowance schedule will make it simpler for staff to determine gross rent and tenant rent portions, as well as for program participants to search for housing that meets affordability guidelines.

A great deal of time is spent by both staff and program participants in determination of calculated deductions for medical expenses, disability expenses, and childcare. Eliminating calculated deductions and increasing the standard deductions for dependents and elderly/disabled households will have a net benefit for most households and will reduce time spent for staff, and for participants, in verifying these costs (which do not typically have a truly significant impact on the tenant rent calculation in the end).

Statutory Objective 2: Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other program that assist in obtaining employment and becoming self-sufficient.

A biennial recertification schedule, without the requirement for families to report increases in income between re-examinations, will provide families with more time between increases in rent, allowing them the opportunity to save money, pay off bills, and increase their economic mobility. SHA will provide families with information about this change in policy that will include information about community resources for asset-building, budgeting, and credit building that are available.

Statutory Objective 3: To increase housing choice for low-income families.

The strategy to promote housing choice and increase the supply of affordable housing will be achieved by increasing the Project-Based Voucher (PBV) program cap and PBV project cap. Expansion of the PBV program will provide new housing opportunities and will support the development of new units within our community.

Additionally, in a market where some property owners "price out" Voucher holders by raising rents in an effort to be above the 40% affordability threshold, increasing the threshold to 50% of adjusted monthly income will allow program participants additional choices when searching for and securing housing.

Economic Mobility (Asset Building Cohort Goal)

Implementation of the Opt-Out Savings Account initiative will be the focal point of SHA's initial economic mobility efforts. SHA plans to use the Opt-Out Savings Account program as a baseline for possible future economic mobility programs. This project will allow SHA to build and expand upon a network of partnerships with service providers, financial institutions, and other community-based organizations to promote economic mobility within our community.

Other activities to promote economic mobility include administrative changes to our rental assistance programs, such as alternative income inclusions/exclusions and an alternative re-examination schedule. We anticipate that these initiatives will

encourage assisted households to seek employment opportunities, increased wages, and build assets.

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	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Plan to Implement in the Submission Year
j. Alternative Utility Allowance (HCV)	Plan to Implement in the Submission Year
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Plan to Implement in the Submission Year
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
v. Alternative Income Inclusions/Exclusions (PH)	Plan to Implement in the Submission Year
w. Alternative Income Inclusions/Exclusions (HCV)	Plan to Implement in the Submission Year
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Not Currently Implemented
c. Rent Reasonableness – Process (HCV)	Plan to Implement in the Submission Year
d. Rent Reasonableness – Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Plan to Implement in the Submission Year
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Plan to Implement in the Submission Year
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	

Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Not Currently Implemented
b. Increase PBV Project Cap (HCV)	Not Currently Implemented
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or 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)	Plan to Implement in the Submission Year
10. Family Self-Sufficiency Program with MTW Flexibility	
a.PH Waive Operating a Required FSS Program (PH)	Not Currently Implemented
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b.PH Alternative Structure for Establishing Program Coordinating Committee (PH)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d.PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
11. MTW Self-Sufficiency Program	
a.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Not Currently Implemented
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Not Currently Implemented
c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Not Currently Implemented
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented

C. MTW Activities Plan that Housing Authority Of The City Of Salem Plans to Implement in the Submission Year or Is Currently Implementing

1.i. - Alternative Utility Allowance (PH)

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

SHA is requesting a waiver to create an alternative utility allowance schedule for Public Housing and Voucher units. The current utility schedule is extensive and difficult for program participants to use. Simplifying the utility allowance will help program participants understand the full costs of potential units, will create administrative efficiencies, and will reduce the likelihood of calculation errors.

SHA will create a utility allowance schedule that considers location, bedroom size, housing type (multifamily/shared wall or single family detached). The simplified schedule will be based on an average expense of the most common fuel types for heating, cooking, and water heating (electric and natural gas) from the utility suppliers within SHA's jurisdiction.

Upon implementation and moving forward, updates to the household's utility allowance will be applied at the next review or update, whether interim (including changes in contract rent for HCV households) or annual re-examination of eligibility.

Per the MTW Operations Notice, this activity will operate within the following Safe Harbors:

- i. The utility schedule must be based upon number of bedrooms, property location, and/or the types of utilities paid by the participant.
- ii. The agency must review its schedule of utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more of the cost from the prior year. The agency must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.
- iii. The agency must not include items in the utility schedule that are excluded under HUD regulations.

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.

N/A - this will be the first year of implementation.

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

No

Please describe the alternative method of calculating the utility allowances. Please explain how the method of calculating utility allowances is different from the standard method and what objective the MTW agency aims to achieve by using this alternative method.

The current utility allowance schedule is complicated and difficult for program participants to understand. Each utility type is represented, along with multiple utility providers (for example, we have two electric utility providers within our jurisdiction). Often the final allowances between all of these providers are within a few dollars of one another.

Instead of providing a separate allowance for each fuel type, we will average the most common fuel scenarios (for

example, all electric, electric with gas heat, electric with gas heat and cooking, electric with gas heat, water heating and cooking) to create simplified figures for each bedroom size within multifamily (duplex, triplex, apartments) and single family units. Amounts for water, sewer, and garbage will also be determined. A flat figure, based upon 50% of the average of water and sewer, will be established for multifamily units with utility chargebacks. All of these figures will be rounded to the nearest \$5 to make them easier to add without the use of a calculator. Seldom-used fuel types (propane, heating oil, and wood) will not be considered in the determination of these averages.

Program participants and residents with higher utility needs may request reasonable accommodation to have additional expenses considered in the determination of their utility allowance.

1.j. - Alternative Utility Allowance (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

SHA is requesting a waiver to create an alternative utility allowance schedule for Public Housing and Voucher units. The current utility schedule is extensive and difficult for program participants to use. Simplifying the utility allowance will help program participants understand the full costs of potential units, will create administrative efficiencies, and will reduce the likelihood of calculation errors.

SHA will create a utility allowance schedule that considers location, bedroom size, housing type (multifamily/shared wall or single family detached). The simplified schedule will be based on an average expense of the most common fuel types for heating, cooking, and water heating (electric and natural gas) from the utility suppliers within SHA's jurisdiction.

Upon implementation and moving forward, updates to the household's utility allowance will be applied at the next review or update, whether interim (including changes in contract rent for HCV households) or annual re-examination of eligibility.

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- i. The utility schedule must be based upon number of bedrooms, property location, and/or the types of utilities paid by the participant.
- ii. The agency must review its schedule of utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more of the cost from the prior year. The agency must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.
- iii. The agency must not include items in the utility schedule that are excluded under HUD regulations.

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.

N/A - this will be the first year of implementation.

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

No

Please describe the alternative method of calculating the utility allowances. Please explain how the method of calculating utility allowances is different from the standard method and what objective the MTW agency aims to achieve by using this alternative method.

The current utility allowance schedule is complicated and difficult for program participants to understand. Each utility type is represented, along with multiple utility providers (for example, we have two electric utility providers within our jurisdiction). Often the final allowances between all of these providers are within a few dollars of one another.

Instead of providing a separate allowance for each fuel type, we will average the most common fuel scenarios (for example, all electric, electric with gas heat, electric with gas heat and cooking, electric with gas heat, water heating and cooking) to create simplified figures for each bedroom size within multifamily (duplex, triplex, apartments) and single family units. Amounts for water, sewer, and garbage will also be determined. A flat figure, based upon 50% of the average of water and sewer, will be established for multifamily units with utility chargebacks. All of these figures will be rounded to the nearest \$5 to make them easier to add without the use of a calculator. Seldom-used fuel types (propane, heating oil, and wood) will not be considered in the determination of these averages.

Program participants and residents with higher utility needs may request reasonable accommodation to have additional expenses considered in the determination of their utility allowance.

1.o. - Initial Rent Burden (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

SHA seeks to use MTW flexibility to increase housing choice by changing the Initial Rent Burden from 40% of Adjusted Monthly Income to 50% of Adjusted Monthly Income, allowing participating families greater choice for the communities they seek to reside in. The result will be an increased burden to the family should they choose to utilize this, but the effect on Housing Assistance Payment (HAP) will remain neutral.

Families will be advised at briefing, and at Voucher issuance, of the increased affordability threshold and the risks of choosing a higher rent burden.

This activity operates within the Safe Harbor requirements of the MTW Operations Notice:

- i. Agency must implement an impact analysis.
- ii. Agency must not allow the family share at initial occupancy to exceed 60% of the family's monthly income.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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

If the MTW agency plans to implement a new maximum income-based rent percentage (higher than 40% of adjusted monthly income), what is that maximum?

50.00%

1.v. - Alternative Income Inclusions/Exclusions (PH)

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

HUD regulations require the inclusion of regular non-cash contributions to the household (excluding food or reimbursement for medical expenses). In some cases, the inclusion of non-cash contributions to the household may result in tenant rent responsibility when the household has no cash resources with which to pay rent, resulting in a situation that puts the household at risk for eviction for non-payment of rent, or having to seek other means of obtaining cash contributions, which could then be considered unreported income. This is especially challenging for tenants of Permanent Supportive Housing (PSH) projects where there are typically no tenant-paid utilities, so any amount of income creates a rent obligation for the family.

Tracking and verifying these contributions is an administrative burden for staff and is often challenging for program participants. Friends and family are hesitant to turn over cellular phone bills and other documentation of their contributions since these documents often contain details that are not directly related to the assisted household. In most cases, the contributions are minimal (typically less than \$100/month). The amount of administrative time spent documenting the contributions offsets the small amount of tenant rent that results by including them in the income calculation.

SHA seeks to exclude from income regular contributions made by someone outside of the assisted household that are not cash paid directly to a member of the household. "Regular" is defined as any contribution occurring three (3) or more times in a 12-month period. To be considered "regular," contributions do not need to come from the same individual or organization.

For example:

- A friend or family member outside of the assisted household pays for cellular phone service for the head of the household by paying the bill directly to the cellular company. Such contribution would be excluded from the income calculation.
- The household receives an average of four (4) deposits from friends and family members outside of the assisted household directly into the checking account of the head of the household. Because these contributions are regular (occurring 3 or more times in a 12-month period) and are cash, they would be annualized and included in the income calculation for the household.

Self-certification of non-cash contributions to the household will be accepted as verification of these amounts, which also provides relief to program participants from cumbersome reporting requirements and brings administrative relief to staff who will no longer have to spend time attempting to verify contributions, which is often administratively burdensome and requires multiple attempts.

Per the MTW Operations notice, safe harbor requirements require the agency to exempt elderly and disabled individuals from this rent determination policy; however, the exclusion of non-cash contributions to the household is beneficial to all participating households. Exempting elderly and disabled individuals would have a negative effect on those households.

SHA seeks a waiver from the requirement to exempt these individuals from this policy.

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

Cost effectiveness; Self-sufficiency

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

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.

N/A - this is the first year of MTW implementation.

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

Yes

What is the status of the Safe Harbor Waiver request?

The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).

What inclusions or exclusions will be eliminated, modified, or added?

SHA seeks to exclude from income regular contributions made by someone outside of the assisted household that are not cash paid directly to a member of the household. "Regular" is defined as any contribution occurring three (3) or more times in a 12-month period. To be considered "regular," contributions do not need to come from the same individual or organization.

1.w. - Alternative Income Inclusions/Exclusions (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

HUD regulations require the inclusion of regular non-cash contributions to the household (excluding food or reimbursement for medical expenses). In some cases, the inclusion of non-cash contributions to the household may result in tenant rent responsibility when the household has no cash resources with which to pay rent, resulting in a situation that puts the household at risk for eviction for non-payment of rent, or having to seek other means of obtaining cash contributions, which could then be considered unreported income. This is especially challenging for tenants of Permanent Supportive Housing (PSH) projects where there are typically no tenant-paid utilities, so any amount of income creates a rent obligation for the family.

Tracking and verifying these contributions is an administrative burden for staff and is often challenging for program participants. Friends and family are hesitant to turn over cellular phone bills and other documentation of their contributions since these documents often contain details that are not directly related to the assisted household. In most cases, the contributions are minimal (typically less than \$100/month). The amount of administrative time spent documenting the contributions offsets the small amount of tenant rent that results by including them in the income calculation.

SHA seeks to exclude from income regular contributions made by someone outside of the assisted household that are not cash paid directly to a member of the household. "Regular" is defined as any contribution occurring three (3) or more times in a 12-month period. To be considered "regular," contributions do not need to come from the same individual or organization.

For example:

- A friend or family member outside of the assisted household pays for cellular phone service for the head of the household by paying the bill directly to the cellular company. Such contribution would be excluded from the income calculation.
- The household receives an average of four (4) deposits from friends and family members outside of the assisted household directly into the checking account of the head of the household. Because these contributions are regular (occurring 3 or more times in a 12-month period) and are cash, they would be annualized and included in the income calculation for the household.

Self-certification of non-cash contributions to the household will be accepted as verification of these amounts, which also provides relief to program participants from cumbersome reporting requirements and brings administrative relief to staff who will no longer have to spend time attempting to verify contributions, which is often administratively burdensome and requires multiple attempts.

Per the MTW Operations notice, safe harbor requirements require the agency to exempt elderly and disabled individuals from this rent determination policy; however, the exclusion of non-cash contributions to the household is beneficial to all

participating households. Exempting elderly and disabled individuals would have a negative effect on those households. SHA seeks a waiver from the requirement to exempt these individuals from this policy.

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

Cost effectiveness; Self-sufficiency

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

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.

N/A - this is the first year of MTW implementation.

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

Yes

What is the status of the Safe Harbor Waiver request?

The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).

What inclusions or exclusions will be eliminated, modified, or added?

SHA seeks to exclude from income regular contributions made by someone outside of the assisted household that are not cash paid directly to a member of the household. "Regular" is defined as any contribution occurring three (3) or more times in a 12-month period. To be considered "regular," contributions do not need to come from the same individual or organization.

2.c. - Rent Reasonableness – Process (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

Current rent reasonableness practices require the PHA to maintain a database of comparable units. The administrative burden of maintaining such a database and keeping information regarding comparable units up to date is overwhelming, especially in a volatile rental market where prices change almost daily.

SHA seeks to implement a unit-to-market rent reasonableness process, using semi-annual market studies conducted by a contracted organization. The market study will consider: location of the unit (zip code and neighborhood), type of unit (single family detached and multifamily/shared wall), age of unit (defined as pre-1990 and post-1990). Contract rent for the assisted unit will be compared against the most recent study, and if it falls within the range defined in the market study it will be considered reasonable. Housing Inspectors and other knowledgeable PHA staff may use their market knowledge on a case-by-case basis to approve requested rents above the amount stated in the study for the particular housing type in its area (for example, if a pre-1990 unit has been renovated and is closer in condition to a post-1990 unit, the post-1990 amount may be used to determine reasonableness). Likewise, staff may use market knowledge to disapprove of a requested rent amount if the assisted unit is known to be in poor condition or have sub-standard upkeep. In these cases, staff must clearly document the reasoning behind the decision and Manager review and approval will be required. SHA will not approve requested rents for units that it owns or controls that exceed the applicable amount reflected in the rent survey.

Because rental listings for single family homes are much less common than for multifamily units within SHA's jurisdiction, the contracted organization may calculate a reasonable rent for single family homes within areas for which no data exists at the time of the publication of the study, based upon their professional experience and opinion.

On a quarterly basis, SHA shall randomly select fifteen (15) units for a detailed rent reasonableness quality control review, which is equivalent to approximately 2% of Voucher households assisted in a 12-month period. If a unit that is randomly selected is PHA-owned, the rent reasonableness quality control review will be conducted by a partnering organization (such as a neighboring PHA with which SHA has entered into an agreement for this service).

The proposed activity meets all safe harbor requirements:

- 1) Through the Administrative Plan, the agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area.
- 2) At the Department's request, the agency must obtain the services of a third-party entity to determine rent

reasonableness for PHA-owned units.

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

Cost effectiveness

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

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.

N/A - this is the first year of MTW implementation.

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

No

Describe the method used to determine rent reasonableness and the motivations for using a method different from the standard method.

SHA seeks to implement a unit-to-market rent reasonableness process, using semi-annual market studies conducted by a contracted organization. The market study will consider: location of the unit (zip code and neighborhood), type of unit (single family detached and multifamily/shared wall), age of unit (defined as pre-1990 and post-1990). Contract rent for the assisted unit will be compared against the most recent study, and if it falls within the range defined in the market study it will be considered reasonable. Housing Inspectors and other knowledgeable PHA staff may use their market knowledge on a case-by-case basis to approve requested rents above the amount stated in the study for the particular housing type in its area (for example, if a pre-1990 unit has been renovated and is closer in condition to a post-1990 unit, the post-1990 amount may be used to determine reasonableness). Likewise, staff may use market knowledge to disapprove of a requested rent amount if the assisted unit is known to be in poor condition or have sub-standard upkeep. In these cases, staff must clearly document the reasoning behind the decision and Manager review and approval will be required. SHA will not approve requested rents for units that it owns or controls that exceed the applicable amount reflected in the rent survey.

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

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

SHA seeks to eliminate the requirement for a third-party to conduct rent reasonableness determinations for units that our agency owns or controls. SHA has a partnership with a neighboring PHA to conduct Housing Quality Standards and rent reasonableness determinations for units that it owns, which is time-consuming for both organizations. Conducting rent reasonableness determinations internally, using the unit-to-market method described under 2.c. will streamline processes and create cost effectiveness.

For quality control purposes, two percent of units owned or controlled by SHA and leased under the Section 8 program will be randomly selected for rent reasonableness review by a partnering organization (such as a neighboring PHA with which SHA has entered into an agreement for this service).

The proposed activity meets all safe harbor requirements:

- i. The agency shall establish and make available a quality assurance method to ensure impartiality.
- ii. The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area.
- iii. At the Department's request, the agency must obtain the services of a third party entity to determine rent reasonableness for PHA-owned units.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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.

For quality control purposes, two percent of units owned or controlled by SHA and leased under the Section 8 program will be randomly selected for rent reasonableness review by a partnering organization (such as a neighboring PHA with which SHA has entered into an agreement for this service).

No document is attached.

Please explain or upload a description of the rent reasonableness determination method.

SHA seeks to implement a unit-to-market rent reasonableness process, using semi-annual market studies conducted by a contracted organization. The market study will consider: location of the unit (zip code and neighborhood), type of unit (single family detached and multifamily/shared wall), age of unit (defined as pre-1990 and post-1990). Contract rent for the assisted unit will be compared against the most recent study, and if it falls within the range defined in the market study it will be considered reasonable. Housing Inspectors and other knowledgeable PHA staff may use their market knowledge on a case-by-case basis to approve requested rents above the amount stated in the study for the particular housing type in its area (for example, if a pre-1990 unit has been renovated and is closer in condition to a post-1990 unit, the post-1990 amount may be used to determine reasonableness). Likewise, staff may use market knowledge to disapprove of a requested rent amount if the assisted unit is known to be in poor condition or have sub-standard upkeep. In these cases, staff must clearly document the reasoning behind the decision and Manager review and approval will be required. SHA will not approve requested rents for units that it owns or controls that exceed the applicable amount reflected in the rent survey.

Because rental listings for single family homes are much less common than for multifamily units within SHA's jurisdiction, the contracted organization may calculate a reasonable rent for single family homes within areas for which no data exists at the time of the publication of the study, based upon their professional experience and opinion.

On a quarterly basis, SHA shall randomly select fifteen (15) units for a detailed rent reasonableness quality control review,

which is equivalent to approximately 2% of Voucher households assisted in a 12-month period. If a unit that is randomly selected is PHA-owned, the rent reasonableness quality control review will be conducted by a partnering organization

(such as a neighboring PHA with which SHA has entered into an agreement for this service).

No document is attached.

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

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

SHA seeks to conduct recertifications of program eligibility on a biennial (every 2 years) basis rather than annually.

Reducing the frequency of recertifications allows participants to keep more of their income as their income increases. It also reduces the burden for staff and participants in acquiring, submitting, and processing paperwork. This change provides program participants with a longer time with stable rent to allow for better financial planning, budgeting, and housing security. Participants will have a greater ability to save for, and accomplish, goals such as pursuing education and rent independence.

Households reporting zero income will be required to report increases in income between reexaminations.

Participants experiencing a 10% or greater loss of gross income may request an interim adjustment to their income calculation. The number of interim adjustments that may be requested is not limited, however SHA will not adjust the income calculation in the event of less than a 10% loss of gross income.

SHA will conduct a full reexam

The proposed activity meets all safe harbor requirements:

- 1) Reexaminations must occur at least every three years.
- 2) The agency must allow at least one interim adjustment per year at the request of the household if the household gross income has decreased 10% or more.
- 3) Agency must implement an impact analysis.
- 4) Agency must include a hardship policy.

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

Cost effectiveness; Self-sufficiency

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

N/A - This is the first year of MTW implementation.

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.)

1.r. - Elimination of Deduction(s) (PH); 1.s. - Elimination of Deduction(s) (HCV); 3.a. - Alternative Reexamination Schedule for Households (PH); 3.b. - Alternative Reexamination Schedule for Households (HCV)

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

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?

Yes

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

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

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.

SHA will conduct reexaminations for all families at least every two (2) years.

Between reexaminations, participants may request an interim adjustment when they experience a decrease in gross income of 10% or greater.

Additionally, SHA will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the Housing Choice Voucher Administrative Plan and will include decreases in income of 10% or greater, increases in income (for households at zero/minimal income who are required to report changes in income or when requested by the household), changes in household composition, and changes to the contract rent or utility responsibility. When interim adjustments are conducted, SHA will apply payment standards and utility allowances in effect on the effective date of the adjustment.

SHA will reserve the right to conduct reexaminations more frequently either for administrative or other financial reasons.

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

SHA seeks to conduct recertifications of program eligibility on a biennial (every 2 years) basis rather than annually.

Reducing the frequency of recertifications allows participants to keep more of their income as their income increases. It also reduces the burden for staff and participants in acquiring, submitting, and processing paperwork. This change provides program participants with a longer time with stable rent to allow for better financial planning, budgeting, and housing security. Participants will have a greater ability to save for, and accomplish, goals such as pursuing education and rent independence.

Households reporting zero income will be required to report increases in income between reexaminations.

Participants experiencing a 10% or greater loss of gross income may request an interim adjustment to their income calculation. The number of interim adjustments that may be requested is not limited, however SHA will not adjust the income calculation in the event of less than a 10% loss of gross income.

SHA will conduct a full reexam

The proposed activity meets all safe harbor requirements:

- 1) Reexaminations must occur at least every three years.
- 2) The agency must allow at least one interim adjustment per year at the request of the household if the household gross income has decreased 10% or more.
- 3) Agency must implement an impact analysis.
- 4) Agency must include a hardship policy.

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

Cost effectiveness; Self-sufficiency

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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.)

1.r. - Elimination of Deduction(s) (PH); 1.s. - Elimination of Deduction(s) (HCV); 3.a. - Alternative Reexamination Schedule for Households (PH); 3.b. - Alternative Reexamination Schedule for Households (HCV)

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

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?

Yes

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

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

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.

SHA will conduct reexaminations for all families at least every two (2) years.

Between reexaminations, participants may request an interim adjustment when they experience a decrease in gross income of 10% or greater.

Additionally, SHA will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the Housing Choice Voucher Administrative Plan and will include decreases in income of 10% or greater, increases in income (for households at zero/minimal income who are required to report changes in income or when requested by the household), changes in household composition, and changes to the contract rent or utility responsibility. When interim adjustments are conducted, SHA will apply payment standards and utility allowances in effect on the effective date of the adjustment.

SHA will reserve the right to conduct reexaminations more frequently either for administrative or other financial reasons.

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

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

At reexamination, SHA will allow the self-certification of assets with a total value of up to \$50,000 for the household. Reduced documentation requirements will reduce staff time for processing, thereby increasing efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of program participants whose assets do not impact their level of benefits.

SHA will reserve the right to verify assets via third party for administrative or other financial reasons.

The proposed activity meets all safe harbor requirements:

i. At reexamination, the agency may allow the self-certification of assets only up to \$50,000.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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.

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

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

At reexamination, SHA will allow the self-certification of assets with a total value of up to \$50,000 for the household. Reduced documentation requirements will reduce staff time for processing, thereby increasing efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of program participants whose assets do not impact their level of benefits.

SHA will reserve the right to verify assets via third party for administrative or other financial reasons.

The proposed activity meets all safe harbor requirements:

i. At reexamination, the agency may allow the self-certification of assets only up to \$50,000.

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

Cost effectiveness

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

Decreased revenue

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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

No

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

\$50,000.

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

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

SHA seeks to eliminate the requirement for a third party to conduct Housing Quality Standards (HQS) inspections for units that our agency owns or controls. SHA has a partnership with a neighboring PHA to conduct Housing Quality Standards and rent reasonableness determinations for units that it owns, which is time-consuming for both organizations. Conducting HQS inspections internally will streamline processes and create cost effectiveness.

For quality control purposes, two percent of units owned or controlled by SHA and leased under the Section 8 program will be randomly selected for HQS inspection quality control review by a partnering organization (such as a neighboring PHA with which SHA has entered into an agreement for this service).

The proposed activity meets all Safe Harbor requirements outlined in the MTW Operations Notice:

- i. The agency shall establish and make available a quality assurance method to ensure impartiality.
- ii. The participant must be able to request an interim inspection.
- iii. HQS inspection standards must not be altered as found at 24 CFR 982.401.
- iv. At the Department's request, the agency must obtain the services of a third party entity to determine if PHA-owned units pass HQS.

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

Cost effectiveness; Housing choice

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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

For quality control purposes, two percent of units owned or controlled by SHA and leased under the Section 8 program will be randomly selected for HQS inspection quality control review by a partnering organization (such as a neighboring PHA with which SHA has entered into an agreement for this service).

No document is attached.

9.h. - Limit Portability for PBV Units (HCV)

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

SHA seeks to use MTW flexibility to change the current requirement to provide a tenant-based Housing Choice Voucher requested by a Project-Based Voucher (PBV) household from 12 months of PBV tenancy to 24 months. Tenant-based Vouchers are very limited in our community. As our portfolio of PBV units increases to meet community need, more frequent requests for Housing Choice Vouchers are anticipated. These requests delay our ability to serve low-income community members from the waiting list.

This change ensures that households electing to move into a PBV unit cannot convert to a tenant-based Voucher after only one year, effectively bypassing the HCV waiting list. Additionally, it decreases the administrative burden for staff after initial intake.

Per the MTW Operations Notice, this activity will operate within the following Safe Harbors:

- i. Portability under this activity must not be restricted for more than 24 months.
- ii. The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households.
- iii. Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

N/A - this is the first year of MTW implementation.

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>Yes, the Safe Harbor Waiver request(s) for 1v, 1w is(are) attached.</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	\$650,100	\$483,201	\$166,899	
2022	\$677,680	\$505,345	\$172,335	
2023	\$610,058	\$327,947	\$282,111	

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.
	Please see attached for an additional public hearing held for Agency-Specific Waiver(s) and/or Safe Harbor Waiver(s)

I.	Evaluations.
	No known evaluations.

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-50075.1 (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 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 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.

Salem Housing Authority
MTW PHA NAME

OR011
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).

Virginia Stapleton
NAME OF AUTHORIZED OFFICIAL

Commission Chair
TITLE

Virginia Stapleton
SIGNATURE

7/13/2023
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.*

Statesman Journal | Legal Notices

PUBLIC NOTICE Salem Housing Authority will open a 45-day comment period on May 22, 2023 regarding the Public Housing Agency Annual Plan (PHA), the Capitol Fund Annual Plan, and the Moving to Work (MTW) Supplement. Copies of the proposed plans will be available for review at www.salemhousingOR.com. Residents, local government officials, and other interested parties are invited to comment on the proposed physical and management improvements affecting the Housing Authority's public housing properties as well as updates to the PHA Plan. Written comments on the plans may be mailed to the attention of Jessica Blakely, Salem Housing Authority, 360 Church ST SE, Salem OR 97301 or emailed to jblakely@salemhousingor.com. Written comments received before 4:30 PM on Thursday, July 7, 2023, will be presented to the Commission at their July 10, 2023 meeting. Please contact Jessica Blakely at 503-373-3808 with questions about this notice. Statesman Journal May 23, June 5, 16, 27, July 7, 2023

Agency-Specific Waiver – Self-Certification of Allowable Expenses

Description of the Activity

Salem Housing Authority requests an Agency-Specific Waiver to the Verification Hierarchy requirements, set forth in Notice PIH 2018-18, to accept self-certification of allowable expenses, up to an established threshold, as the highest form of verification for families participating in the Section 8 Voucher and Public Housing programs. Expenses exceeding the threshold would require third party verification.

Verification of allowable expenses is administratively burdensome for staff and cumbersome for participating families. To reduce this burden, SHA is seeking to exercise MTW flexibility to simplify the calculation of deductions for medical expenses, disability expenses, and childcare expenses, the process of verifying those expenses, and how those expenses will impact a household's rent calculation. SHA will permit the submission of expense information and documentation once every 12 months. Interim reviews will not recalculate expenses unless a change in eligibility for those expenses occurs (for example, an adult who was not formerly employed gains employment and the household now has childcare expenses as a result).

Self-certification of medical and disability expenses of no more than \$3,500 annually will be acceptable verification. Receipts / third party documentation will be required for expenses totaling more than \$3,500.

Self-certification of childcare expenses will be accepted for costs not exceeding \$5,000 annually. Third party documentation will be required for childcare expenses in excess of \$5,000.

The requested thresholds for self-certification (\$3,500 annually for medical and disability expenses and \$5,000 annually for childcare expenses) will allow the majority of current participants to self-certify their expenses without the need for third-party verification. Currently:

- 293 of the 1,1817 elderly or disabled households served by SHA claim medical and/or disability expenses, with \$1,208 being the median amount.
 - Only 30 households currently claim expenses in excess of \$3,500.
- 28 households claim unreimbursed childcare expenses. The annual amounts range from \$70 - \$7,860, with the median cost falling at \$2,178.
 - Only four (4) household claim childcare expenses in excess of \$5,000 annually.

SHA will reserve the right to require third party verification of expenses not exceeding the self-certification threshold for administrative and other reasons.

Meeting MTW Statutory Objectives

Approval of this waiver will meet the following MTW Statutory Objectives:

Statutory Objective 1: Reduce cost and achieve greater cost-effectiveness in federal expenditures.

- Accepting self-certification of allowable expenses will reduce the cost of staff time and materials involved in verification of expenses.
 - Reduced postage for outgoing third-party verifications.
 - Reduced staff time creating and mailing third-party verifications.
 - Reduced file storage requirements due to reduction in number of pages required to document expenses.

Statutory Objective 2: Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other program that assist in obtaining employment and becoming self-sufficient.

- Accepting self-certification for allowable childcare expenses will provide relief from lengthy, and often burdensome, third-party verification requirements.

Population Groups and Household Types Impacted by this Activity

It is anticipated that accepting self-certification as verification of allowable expenses will have a positive effect on elderly households, disabled households, and households with children as this process will alleviate the need for burdensome third-party verification requirements.

Implementation Timeline for the Initiative

Salem Housing Authority will implement the acceptance of self-certification to verify allowable expenses beginning with recertifications effective the first of the month, 120 days from the date of HUD approval of this agency-specific waiver.

Hardship Policy

Please refer to the attachment titled “MTW Hardship Policy” for a complete description of the Hardship Policy.

Public Comments Received

SHA received no directly submitted public comments regarding our MTW Supplement during the public comment period or at the public hearing. We conducted surveys of community partner organizations, PHA staff, program participants (from both the Section 8 Voucher and Public Housing programs), and property owners with Section 8 residents. A full report of the input received is included as an attachment to the MTW supplement.

Overall, 81.25% of survey respondents indicated that they were neutral or supportive of the initiative to permit self-certification of allowable expenses. Specific comments received regarding this initiative were:

Community Partners

- Lessens the burden to access verification of medical expenses when homeless or overwhelmed by the stressors of financial poverty

PHA Staff

- Seems harder to process as the Housing Specialist. We thought it would be a flat amount and no calculations/verifications required.
- Participants may not accurately report expenses. For instance the full cost of medical treatment is not necessarily what they pay .
- I think there are some elderly that don't have the ability to track their expenses and will really benefit from this. I feel the daycare expense is rather high, I don't have many clients that pay anything close to that.
- I think that will be easier for clients/staff to allow self-certification of these expenses. There are not many clients who have medical expenses, but the ones that do - the current process is very cumbersome.

- Much faster and less cumbersome.
- I'm curious how it would work if they are able to self-certify AND 3rd party certify if they think their expenses are over the threshold. At that point if they think they are over the threshold they should just have to 3rd party verify everything? But in general, I think that's a great idea. Verifying expenses on the housing specialist end is a burdensome and time-consuming aspect.

Program Participants (Section 8 Voucher and PH)

- It would make recertification a lot easier.
- Medical cost can be just as high and in most cases higher than child care cost. medical/disability expenses should be the same or higher than child care cost.
- The current system is stressful and burdensome. You wait until the last minute to send the packets then expect ALL of it completed and back in 10 days. That's unrealistic for disabled people.
- Unfortunately Self Certification can lead to fraudulent statements regarding what deductions are needed.
- As someone who provides documentation I already feel that too many falsify and take advantage & only feel that would make falsifying easier.
- Leaves far too much room for dishonesty to cheat the system
- Making the process easier for the applicant will be a good thing
- It can be very frustrating gathering things up. It would mentally make this easier.
- The limits are a bit high for those on fixed incomes
- Updating the policies to improve our quality of life more
- Don't understand
- I think the deduction for disability should be more considering it is a fixed income.
- The current policy of third party validation is shaming and some providers might feel these patients would be a risk to the financial situation of their practice
- It may not be easy for people to lie/cheat/take advantage of
- If people have to pay for things like that. All of it. Housing Voucher Program is great for people who don't have much money
- Potential abuse probability or potential benefits depending on clients you serve I'm unsure at this stage
- I would surmise that a large % of tenants don't really understand all that goes into this subject. Even some of the workers really don't have the full grasp of what it entails.
- Would save me from having to gather all the info from pharmacy, various doctors, etc. to show proof of out of pocket expenditures.
- Modifications for deductions would not help me and I think it would drain the system of their capital.
- Not sure how that totally works, and I have no Co Pays on my meds. So, this will not apply to me as long as Medicaid still covers I and son's meds.
- I do NOT understand why so many cannot provide necessary documentation for anything. However, many are apparently in that situation and should not be excluded from program participation because of it.

Property Owners with Section 8 Renters

- Opens the door to many people taking advantage of deductions that are not earned or valid.
- I think they should have to verify all deductions
- This is a honesty based modification and that never works, trust but verify
- none
- People are not honest and often take advantage of scenarios like this.
- I place faith in you (section 8) doing screening on qualified to receive housing. Documentation is reasonable expectation.

These comments were reviewed and considered in the development of this agency-specific waiver. The positive and supportive comments aligned with the intention behind this initiative – to reduce reporting burden for program participants and create efficiency in staff time spent obtaining and processing third-party verifications. Many of the negative comments, particularly from property owners, centered around distrust of program participants to accurately self-certify their expenses. It is for this reason that we request a reasonable threshold on the amount that may be self-certified, as well as the right to obtain third party verification if needed (i.e., if it is suspected that the self-certification may grossly overstate the household's expenses).

SHA will ensure that the self-certification form requests that participants provide the names and contact information for the entities they pay for medical, disability, and/or childcare expenses and will include a statement that all adults in the household attest that the information provided is true and complete, and that they understand that SHA may contact these entities to verify expenses.

Impact Analysis – Self-Certification of Allowable Expenses

Currently, of the 2,927 households served by the Housing Choice Voucher and Public Housing programs, 1,817 are elderly or disabled households. Of these, 293 claim disability and/or medical expenses, with \$1208 in annual expenses being the median amount reported. Accepting self-certification for medical and disability expenses up to \$3,500 annually will provide relief from documentation requirements for 98% of these households, as currently only 30 claim more than \$3,500 in medical/disability expenses. These households will still be able to claim the full value of their expenses but will be required to submit third party documentation in order to claim the expenses.

Of current households served, 28 report unreimbursed childcare costs. The annual amounts range between \$60 and \$7,680, with the median cost falling at \$2,178. Accepting self-certification for unreimbursed childcare costs up to \$5,000 annually will provide relief from documentation requirements for 99% of these households, as currently only four (4) claim more than \$5,000 in childcare costs annually. Households with childcare costs exceeding the self-certification threshold will still be able to claim the full value of their childcare costs but will be required to submit third part documentation in order to claim the expense.

This activity is not anticipated to impact agency finances.

Affordability of housing costs is anticipated to remain neutral.

There is no impact to the waiting list from this activity.

There is no anticipated impact on the agency's termination rates of families as a result of implementation of this activity.

There is no anticipated impact on occupancy or utilization from this activity.

SHA does not anticipate any negative impact to program participants by implementation of this initiative and may realize cost savings in terms of staff time and postage involved in researching, documenting, and verifying these costs.

Hardship requests are not anticipated.

Implementation of this activity should have no impact on protected classes or any associated disparate impact.

RESOLUTION NO. 2299

A RESOLUTION ADOPTING THE SALEM HOUSING AUTHORITY’S AMENDED 2023-2027 PUBLIC HOUSING AUTHORITY AND CAPITAL FUND PLANS AND MOVING TO WORK SUPPLEMENT

Whereas, The U.S. Department of Housing and Urban Development (HUD) requires housing authorities to prepare an annual Capital Fund Plan; and,

Whereas, the Salem Housing Authority drafted the required Agency Plans and Moving to Work Supplement in conformance with HUD regulations; and

Whereas, on May 23, June 5, June 16, June 27, and July 10, 2023 a public notice was published in the Statesman Journal newspaper; and

Whereas, on June 30, 2023 a virtual meeting was held with the Resident Advisory Board; and

Whereas, the Housing Authority is required to submit the Agency Plans to HUD for approval.

NOW, THEREFORE, THE HOUSING AUTHORITY OF THE CITY OF SALEM, OREGON, RESOLVES AS FOLLOWS:

Section 1. The 2022-2026 Public Housing Agency Plan is hereby adopted, attached as “Exhibit A”.

Section 2. The 2023-27 Annual Capital Fund Plan is hereby adopted, attached as “Exhibit B”.

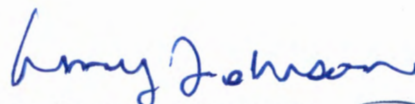
Section 3. The 2023-2024 Moving to Work (MTW) Supplement is hereby adopted, attached as “Exhibit C”.

Section 4. The Housing Authority is authorized to submit the Public Housing agency Plan and the Capital Fund Plan to HUD.

Section 5. This resolution is effective upon adoption.

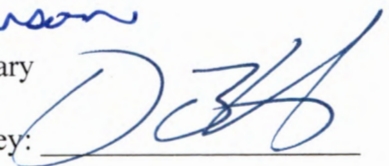
ADOPTED by the Commission of the Housing Authority of the City of Salem this 10th day of July, 2023.

ATTEST:



Deputy Recording Secretary

Approved by City Attorney:



Checked by: N. Utz



CITY OF SALEM

555 Liberty St SE
Salem, OR 97301

Staff Report

File #: 23-270
Version: 1

Date: 7/10/2023
Item #: 4.a.

TO: Chair and Housing Authority Commissioners
THROUGH: Kristin Retherford, Interim Executive Director
FROM: Nicole Utz, Administrator

SUBJECT:

Amendments to the Salem Housing Authority's 2023-2027 Public Housing Agency Plan and Annual Capital Fund Plan

Ward(s): All Wards
Commissioners(s): All Commissioners
Neighborhood(s): All Neighborhoods
Service Area(s): Welcome and Livable Neighborhood

SUMMARY:

The Quality Housing and Work responsibility Act of 1998 requires Public Housing Authorities (PHAs) to submit to HUD Public Housing and Capital Fund Annual Plans.

ISSUE:

Shall the Housing Authority Commission adopt Resolution No. 2299 approving amendments to the Salem Housing Authority's 2023-27 Public Housing Agency Plan and Annual Capital Fund Plan for submission to the U.S. Department of Housing and Urban Development (HUD)?

RECOMMENDATION:

Adopt Resolution No. 2299 (Attachment 1) approving amendments to the Salem Housing Authority's 2022-26 Public Housing Agency Plan (Attachment 2) and Annual Capital Fund Plan (Attachment 3) for submission to the U.S. Department of Housing and Urban Development (HUD).

FACTS AND FINDINGS:

The Capital Fund plan for 2023-2027 shows the intent to use funds to continue modernizing scattered homes. The intent surrounding all Public Housing units is to reposition them into a new funding structure. A new funding line item has been added to the Capital Fund Plan for our new Moving to Work program to assist clients with Asset Building. This is now allowed under program rules.

SHA will also pursue opportunities to keep Glen Creek Apartments in our existing portfolio. Because this property is partially located in a floodway, we will need to determine the feasibility of partitioning the property to obtain approval for using federal funds. The continued operation of the Glen Creek Apartments is important due to its desirable location in West Salem.

The Public Housing Authority Plan and Moving to Work Supplement outline ways SHA would like to take advantage of its new designation. This will bolster our abilities to engage, interact and assist our clients in the Public Housing and Housing Choice Voucher Programs.

BACKGROUND:

These plans are an annual HUD requirement. They have been out for public comment for 45 days.

The Resident Advisory Board met on June 30, 2023. The Board had no comments on the plans.

Nicole Utz
Administrator

Attachments:

1. Resolution 2299
2. Public Housing Agency (PHA) Plan
3. Annual Capital Fund Plan
4. Moving to Work Supplement to PHA Plan

Agency-Specific Waiver – Self-Certification of Allowable Expenses

Description of the Activity

Salem Housing Authority requests an Agency-Specific Waiver to the verification requirements set forth in 24 CFR 982.516 (a)(2)(iii), which states:

- (a) PHA responsibility for reexamination and verification.
 - (2) Except as provided in paragraph (a)(3) of this section, the PHA must obtain and document in the tenant file third-party verification of the following factors, or must document in the tenant file why third-party verification was not available:
 - (iii) Expenses related to deductions from annual income

Specifically, Salem Housing Authority requests approval to accept self-certification of allowable expenses, up to an established threshold, as the highest form of verification for families participating in the Section 8 Voucher and Public Housing programs. Expenses exceeding the threshold would require third party verification.

Verification of allowable expenses is administratively burdensome for staff and cumbersome for participating families. To reduce this burden, SHA is seeking to exercise MTW flexibility to simplify the calculation of deductions for medical expenses, disability expenses, and childcare expenses, the process of verifying those expenses, and how those expenses will impact a household's rent calculation. SHA will permit the submission of expense information and documentation once every 12 months. Interim reviews will not recalculate expenses unless a change in eligibility for those expenses occurs (for example, an adult who was not formerly employed gains employment and the household now has childcare expenses as a result).

Self-certification of medical and disability expenses of no more than \$3,500 annually will be acceptable verification. Receipts / third party documentation will be required for expenses totaling more than \$3,500.

Self-certification of childcare expenses will be accepted for costs not exceeding \$5,000 annually. Third party documentation will be required for childcare expenses in excess of \$5,000.

The requested thresholds for self-certification (\$3,500 annually for medical and disability expenses and \$5,000 annually for childcare expenses) will allow the majority of current participants to self-certify their expenses without the need for third-party verification. Currently:

- 293 of the 1,1817 elderly or disabled households served by SHA claim medical and/or disability expenses, with \$1,208 being the median amount.
 - Only 30 households currently claim expenses in excess of \$3,500.
- 28 households claim unreimbursed childcare expenses. The annual amounts range from \$70 - \$7,860, with the median cost falling at \$2,178.
 - Only four (4) household claim childcare expenses in excess of \$5,000 annually.

SHA will reserve the right to require third party verification of expenses not exceeding the self-certification threshold for administrative and other reasons.

Meeting MTW Statutory Objectives

Approval of this waiver will meet the following MTW Statutory Objectives:

Statutory Objective 1: Reduce cost and achieve greater cost-effectiveness in federal expenditures.

- Accepting self-certification of allowable expenses will reduce the cost of staff time and materials involved in verification of expenses.
 - Reduced postage for outgoing third-party verifications.
 - Reduced staff time creating and mailing third-party verifications.
 - Reduced file storage requirements due to reduction in number of pages required to document expenses.

Statutory Objective 2: Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other program that assist in obtaining employment and becoming self-sufficient.

- Accepting self-certification for allowable childcare expenses will provide relief from lengthy, and often burdensome, third-party verification requirements.

Population Groups and Household Types Impacted by this Activity

It is anticipated that accepting self-certification as verification of allowable expenses will have a positive effect on elderly households, disabled households, and households with children as this process will alleviate the need for burdensome third-party verification requirements.

Implementation Timeline for the Initiative

Salem Housing Authority will implement the acceptance of self-certification to verify allowable expenses beginning with recertifications effective the first of the month, 120 days from the date of HUD approval of this agency-specific waiver.

Hardship Policy

Please refer to the attachment titled “MTW Hardship Policy” for a complete description of the Hardship Policy.

Public Comments Received

SHA received no directly submitted public comments regarding our MTW Supplement during the public comment period or at the public hearing. We conducted surveys of community partner organizations, PHA staff, program participants (from both the Section 8 Voucher and Public Housing programs), and property owners with Section 8 residents. A full report of the input received is included as an attachment to the MTW supplement.

Overall, 81.25% of survey respondents indicated that they were neutral or supportive of the initiative to permit self-certification of allowable expenses. Specific comments received regarding this initiative were:

Community Partners

- Lessens the burden to access verification of medical expenses when homeless or overwhelmed by the stressors of financial poverty

PHA Staff

- Seems harder to process as the Housing Specialist. We thought it would be a flat amount and no calculations/verifications required.
- Participants may not accurately report expenses. For instance the full cost of medical treatment is not necessarily what they pay .
- I think there are some elderly that don't have the ability to track their expenses and will really benefit from this. I feel the daycare expense is rather high, I don't have many clients that pay anything close to that.
- I think that will be easier for clients/staff to allow self-certification of these expenses. There are not many clients who have medical expenses, but the ones that do - the current process is very cumbersome.
- Much faster and less cumbersome.
- I'm curious how it would work if they are able to self-certify AND 3rd party certify if they think their expenses are over the threshold. At that point if they think they are over the threshold they should just have to 3rd party verify everything? But in general, I think that's a great idea. Verifying expenses on the housing specialist end is a burdensome and time-consuming aspect.

Program Participants (Section 8 Voucher and PH)

- It would make recertification a lot easier.
- Medical cost can be just as high and in most cases higher than child care cost. medical/disability expenses should be the same or higher than child care cost.
- The current system is stressful and burdensome. You wait until the last minute to send the packets then expect ALL of it completed and back in 10 days. That's unrealistic for disabled people.
- Unfortunately Self Certification can lead to fraudulent statements regarding what deductions are needed.
- As someone who provides documentation I already feel that too many falsify and take advantage & only feel that would make falsifying easier.
- Leaves far too much room for dishonesty to cheat the system
- Making the process easier for the applicant will be a good thing
- It can be very frustrating gathering things up. It would mentally make this easier.
- The limits are a bit high for those on fixed incomes
- Updating the policy s to improve our quality of life more
- Don't understand
- I think the deduction for disability should be more considering it is a fixed income.
- The current policy of third party validation is shaming and some providers might feel these patients would be a risk to the financial situation of their practice
- It may ne tpo easy for people to lie/cheat/take advantage of
- If people have to pay for things like that. All of it. Housing Voucher Program is great for people who don't have much money
- Potential abuse probability or potential benefits depending on clients you serve I'm unsure at this stage
- I would surmise that a large % of tenants don't really understand all that goes into this subject. Even some of the workers really don't have the full grasp of what it entails.

- Would save me from having to gather all the info from pharmacy, various doctors, etc. to show proof of out of pocket expenditures.
- Modifications for deductions would not help me and I think it would drain the system of their capital.
- Not sure how that totally works, and I have no Co Pays on my meds. So, this will not apply to me as long as Medicaid still covers I and son's meds.
- I do NOT understand why so many cannot provide necessary documentation for anything. However, many are apparently in that situation and should not be excluded from program participation because of it.

Property Owners with Section 8 Renters

- Opens the door to many people taking advantage of deductions that are not earned or valid.
- I think they should have to verify all deductions
- This is a honesty based modification and that never works, trust but verify
- none
- People are not honest and often take advantage of scenarios like this.
- I place faith in you (section 8) doing screening on qualified to receive housing. Documentation is reasonable expectation.

These comments were reviewed and considered in the development of this agency-specific waiver. The positive and supportive comments aligned with the intention behind this initiative – to reduce reporting burden for program participants and create efficiency in staff time spent obtaining and processing third-party verifications. Many of the negative comments, particularly from property owners, centered around distrust of program participants to accurately self-certify their expenses. It is for this reason that we request a reasonable threshold on the amount that may be self-certified, as well as the right to obtain third party verification if needed (i.e., if it is suspected that the self-certification may grossly overstate the household's expenses).

SHA will ensure that the self-certification form requests that participants provide the names and contact information for the entities they pay for medical, disability, and/or childcare expenses and will include a statement that all adults in the household attest that the information provided is true and complete, and that they understand that SHA may contact these entities to verify expenses.

3.a., b. Alternative Reexamination Schedule for Households (HCV and PH) – Impact Analysis

Savings related to this activity are anticipated (staff time, office supplies, postage), but no impact on agency finances is expected.

There is no anticipated impact on affordability of housing costs for affected families.

There is no anticipated impact on the agency's waiting list.

There is no anticipated impact on the agency's termination rate of families.

There is no anticipated impact on the occupancy and utilization rates.

SHA anticipates an increase in administrative efficiency and cost-effectiveness by implementing this initiative. SHA anticipates approximately 1,000 hours in time savings per year by shifting participating households to a biennial recertification schedule.

There is no anticipated impact on the agency's ability to meet MTW statutory requirements.

Hardship requests are not anticipated.

There is no anticipated disparate impact to protected classes as a result of this activity.

Safe Harbor Waiver Request

1.v., w. Alternative Income Inclusions/Exclusions (HCV and PH) - Safe Harbor Waiver Request

Description of Activity

As part of its MTW initiative, Salem Housing Authority is seeking to exclude regular non-cash contributions from the calculation of annual household income, as required by 24 CFR 5.609(b)(7), which states, in part, “annual income includes...regular contributions or gifts received from organizations or persons not residing in the dwelling.”

Salem Housing Authority requests a waiver from the Safe Harbor requirement to exempt elderly and disabled individuals from this alternative income exclusion.

This effort is made in order to alleviate a rent obligation for households that are receiving support for bills, such as cellular phone coverage, but have little to no other cash income. When participants have a rent obligation from non-cash contributions, it forces them to either face eviction from non-payment of rent or to find cash income sources, which puts them in the position of possibly having unreported income, or a higher rent obligation when the cash is then subsequently included in their income.

This is of particular concern in Permanent Supportive Housing (PSH), where contract rent most often includes all utilities. In traditional housing, a utility allowance is applied in the tenant rent calculation. A low Total Tenant Payment would simply reduce the Utility Reimbursement Payment for which the family is eligible. However, without a utility obligation, the household’s Total Tenant Payment (TTP) essentially becomes their rent obligation, setting them up for immediate eviction and failure to comply with program obligations.

Application of the Safe Harbor for this initiative (exempting elderly and disabled individuals from alternative income exclusions) would have a negative disparate impact on participant households that include individuals who are elderly or disabled. Therefore, we request a waiver of this requirement in order to apply this benefit to all of our participants equally.

Meeting MTW Statutory Objectives

Approval of this safe harbor waiver will meet the following MTW Statutory Objectives:

Statutory Objective 3: To increase housing choice for low-income families.

- Inclusion of non-cash gifts/contributions to the household can create an unsustainable rent obligation, particularly for households with zero or minimal income.
- Creation of a rent obligation for a household with minimal resources puts them at risk of eviction and loss of program subsidy for non-compliance with family obligations.

Population Groups and Household Types Impacted by this Activity

It is anticipated that excluding non-cash contributions from the calculation of annual income will have a positive effect on all participant households; exempting disabled and elderly households from this initiative will have a negative impact on those households as non-cash contributions would continue to be included in their annual income calculation.

Implementation Timeline for the Initiative

Salem Housing Authority will implement the exclusion of non-cash contributions to household income beginning with recertifications effective the first of the month following approval of this safe harbor waiver.

Hardship Policy

Please refer to the attachment titled "MTW Hardship Policy" for a complete description of the Hardship Policy.

Public Comments Received

SHA received no directly submitted public comments regarding our MTW Supplement during the public comment period or at the public hearing. We conducted surveys of community partner organizations, PHA staff, program participants (from both the Section 8 Voucher and Public Housing programs), and property owners with Section 8 residents. A full report of the input received is included as an attachment to the MTW supplement.

Overall, 95% of survey respondents indicated they were neutral or supportive of the initiative to exclude non-cash contributions from the income calculation. Specific comments received regarding this initiative were:

PHA Staff

- This makes so much more sense in our economy today. People reach out to family and friends first and then are penalized for their efforts to remain in good standing as a tenant.
- Non-cash is exactly that and should be treated as such.
- I think this will be a benefit to clients who have family paying for cell phone or something like that, so that does not cause them to have a rent portion when they are not seeing any money to pay a rent portion.
- I think it would be great. It doesn't seem fair to me to count donated clothing or food to someone's income.
- I have never understood why we count someone's cell phone bill being paid by another person as income, so this is a great change.
- Great idea, love it, no notes.

Program Participants (Section 8 Voucher and PH)

- Regular contributions made by someone outside of the assisted household that are not cash paid directly to a member of the household and total \$2000 or less annually. " This phrase makes absolutely no sense. Define "contributions that are not cash." You need a better writer, one who understands using semicolons.
- Always wondered about Birthday money.
- I believe it would put rental amounts for the clients more fairly.
- Not sure what mean on that. But, with the INFLATION Prices nowadays here in Oregon Especially, I don't think that Housing should make Tenants pay ANY EXTRA if get help that is NON-CASH for Ex: If someone in family not living here with me, says, come over

and eat, since I CANNOT EVEN AFFORD FOOD FOR MY SON OR I ANYWAYS. So, do not know how would affect me. MY RENT IS HIGH, and I can barely EAT as is.

- Regular cash contributions should be considered as income. Intermittent/sporadic and therefore unreliable cash contributions should not be included in the calculation. Non-cash contributions below some calculated threshold should not be considered.
- Right now, I think I'd be negative. Sounds like more employees to execute the new policies and let's keep the money where we need it and that would be in rent and food right now food has gone up so much, I'm out of snaps in the first week they cut me down 1/3 of what I used to get. I get \$140 a month for food that's like five grocery bags.
- That would be so great for that for people that have no income or little income.
- You should explain more.

Property Owners

- This program should only be utilized as an emergency for those in the most desperate of circumstances.
- I will not support any self-verifications.
- I feel that you may not get an honest answer.
- Encourages fraud.
- All income should be reported to avoid taking advantage of the program.

Community Partners

- No additional comments were received on the Community Partner surveys, but 100% of respondents were supportive of the initiative.

These comments were reviewed and considered in the development of this Safe Harbor Waiver. The positive and supportive comments aligned with the intention behind this initiative and our request to waive the requirement to exempt elderly and disabled households from the income exclusion – to calculate annual income and rent obligation based upon actual income resources the family receives, and not inflate their rent share based on assistance they may be receiving in the form of bills paid on their behalf or household supplies being provided to them. Negative comments received centered around two primary themes: 1) not understanding the initiative as written, and 2) distrust of program participants to accurately report their income to the Housing Authority (these comments were primarily from property owners).

SHA will ensure that communication to program participants regarding this initiative is clear and concise and will educate staff regarding the initiative so that it can be explained in simple terms to avoid misunderstandings. SHA will continue to investigate reported allegations of program fraud, including misreporting of household income, and will follow standard processes and procedures regarding repayment or other recourse within program parameters when misreporting is verified.