

# PHA Name : Winnebago County Housing Authority

**PHA Code :** IL083

**MTW Supplement for PHA Fiscal Year Beginning :** (MM/DD/YYYY): 4/1/2023

**PHA Program Type:** Combined

**MTW Cohort Number:** Landlord Incentives

**MTW Supplement Submission Type:** Annual Submission

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

### How NI ReACH Will Further the Three MTW Statutory Objectives During the Coming Fiscal Year

**Cost Effectiveness.** The loosening of fungibility requirements will permit NI ReACH to direct funds to those activities that increase housing choice and support families in their self-sufficiency goals. Additionally, if there is a housing need in a certain population that is not otherwise served, such as domestic violence victims with children or homeless veterans, funds could be set aside for that purpose. Cost savings could be realized through changes in staffing structure focused more on the families rather than the process.

**Self-Sufficiency.** NI ReACH has established many partnerships with nonprofit and government entities that provide supportive services to our residents. In many cases, senior NI ReACH staff serves on the boards of our partner organizations. As a result, it is not necessary to develop new relationships before the fiscal year begins. Partnerships include: Rosecrance Mental Health Center, Janet Wattles (mental health), VERA Institute of Justice (NI ReACH's E.D. serves on the workforce committee of the VERA Institute), Rockford-Peoria OSF College of Nursing (NI ReACH's E.D. serves as President), RAMP (which serves persons with disabilities), Remedies, Winnebago County Health Department, Swedish American Hospital for Mental Health, Rockford Public Library, Rock River Training, Goodwill, Rock Valley College, Rockford Career College, Rockford Public Library, Rockford School District, Rockford Park District, Rockford YMCA, Meals on Wheels, Northern Illinois Food Bank, Rockford Mass Transit District, Crusader Clinic, Freeport Area Apartment Association, Rockford Area Apartment Association, City of Rockford Human Services, Rockford Township, HomeStart, and Workforce Connection.

**Housing Choice.** NI ReACH has Inter Governmental Agreement (IGA) relationships with three other adjacent counties in northern Illinois, two of which will be part of this study, but the lack of flexibility in the use of the FMRs and payment standards means that neighborhoods of opportunity are out of reach for many voucher holders. Participation in MTW will allow us to test whether SAFMRs and higher payment standards in general result in more housing mobility for families. An additional activity which focuses on housing choice is the use of the Airbnb program to expand housing opportunities in the region, particularly in rural areas.

**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).**

<b>1. Tenant Rent Policies</b>	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
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)	Not Currently Implemented
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Not Currently Implemented
<b>2. Payment Standards and Rent Reasonableness</b>	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Plan to Implement in the Submission Year
b. Payment Standards- Fair Market Rents (HCV)	Plan to Implement in the Submission Year
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Not Currently Implemented
<b>3. Reexaminations</b>	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	Not Currently Implemented
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Not Currently Implemented
<b>4. Landlord Leasing Incentives</b>	
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
<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Not Currently Implemented
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
<b>6. Short-Term Assistance</b>	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
<b>7. Term-Limited Assistance</b>	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
Increase Elderly Age (PH & HCV)	Not Currently Implemented

<b>9. Project-Based Voucher Program Flexibilities</b>	
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)	Plan to Implement in the Submission Year
h. Limit Portability for PBV Units (HCV)	Not Currently Implemented
<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
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
<b>11. MTW Self-Sufficiency Program</b>	
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
<b>12. Work Requirement</b>	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
<b>14. Moving on Policy</b>	
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
<b>15. Acquisition without Prior HUD Approval (PH)</b>	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
<b>17. Local, Non-Traditional Activities</b>	
a. Rental Subsidy Programs	Plan to Implement in the Submission Year
b. Service Provision	Plan to Implement in the Submission Year
c. Housing Development Programs	Not Currently Implemented

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

<b>2.a. - Payment Standards- Small Area Fair Market Rents (HCV)</b>
<b>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</b> The Test/Activity. NI ReACH will test whether SAFMRs and higher payment standards result in more housing mobility for families. The test will be conducted in Winnebago County, Stephenson County, and Boone County. SAFMRs are defined by Zip code. The largest number of voucher holders are currently located in Winnebago County. At the present time, there are few voucher holders outside the city of Freeport in Stephenson County and the city of Belvidere in Boone County. This test will allow NI ReACH to capture increased housing mobility in general as well as housing opportunities in rural areas through the Airbnb expansion activity. The map identifies the Zip codes in Winnebago County and the table which follows identifies the proposed SAFMR for each Zip code.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b> Self-sufficiency; Housing choice
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b> Decreased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b> The MTW activity applies to all assisted households
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> This is the initial PHA MTW Plan.
<b>Does this MTW activity require a hardship policy?</b> Yes This document is attached.
<b>Does the hardship policy apply to more than this MTW activity?</b> Yes
<b>Please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b> 2.a. - Payment Standards- Small Area Fair Market Rents (HCV); 2.b. - Payment Standards- Fair Market Rents (HCV)
<b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b> No
<b>How many hardship requests have been received associated with this activity in the past year?</b> No hardship were requested in the most recent fiscal year.
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> No
<b>Does the MTW activity require an impact analysis?</b>

Yes

This document is attached.

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

No

**Please explain the payment standards by ZIP code or "grouped" ZIP codes:**

Winnebago County Zip codes and the proposed SAFMR for each:

- 61016 (Cherry Valley) – 130%
- 61112 (Cherry Valley) – 130%
- 61024 (Durand) – 110%
- 61111 (Loves Park) – 130%
- 61115 (Machesney Park) – 130%
- 61063 (Pecatonica) – 110%
- 61114 (Rockford) – 150%
- 61101 (Rockford) – 130%
- 61102 (Rockford) – 110%
- 61103 (Rockford) – 110%
- 61104 (Rockford) – 130%
- 61107 (Rockford) – 150%
- 61108 (Rockford) – 150%
- 61109 (Rockford) – 130%
- 61072 (Rockton) – 150%
- 61073 (Roscoe) – 150%
- 61077 (Seward) – 110%
- 61079 (Shirland) – 110%
- 61080 (South Beloit) -- 150%
- 61088 (Winnebago) – 110%

The SAFMRs in the City of Freeport in Stephenson County and the City of Belvidere in Boone County will both be set at 120%. The remaining Zip codes in each county will be set at 150% as follows:

Stephenson County Zip codes and the proposed SAFMR for each:

- 61013 (Cedarville) – 150%
- 61018 (Dakota) – 150%
- 61027 (Eleroy) – 150%
- 61032 (Freeport) – 120%
- 61039 (German Valley) – 150%
- 61044 (Kent) – 150%
- 61019 (Lake Summerset) – 150%
- 61048 (Lena) – 150%
- 61050 (Mc Connell) – 150%
- 61060 (Orangeville) – 150%
- 61062 (Pearl City) – 150%
- 61067 (Ridott) – 150%
- 61070 (Rock City) – 150%
- 61089 (Winslow) – 150%

Boone County Zip codes and the proposed SAFMR for each:

- 61008 (Belvidere) – 120%
- 61011 (Caledonia) – 150%
- 61012 (Capron) – 150%
- 61038 (Garden Prairie) – 150%
- 61065 (Poplar Grove) – 150%

The zip codes are the best determinant for the areas of affluent neighborhoods with desirable housing against areas of distressed neighborhoods and less desirable housing, which makes it clear which areas would require a greater Payment Standard. This has also proven true in our experience of comparable housing study.

**2.b. - Payment Standards- Fair Market Rents (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**

The Test/Activity. While in Activity 2.a., we are testing whether SAFMRs and higher payment standards result in more housing mobility for families, in Activity 2.b. we will test whether a blanket increase in the payment standards jurisdiction-wide encourages families to find housing outside of high poverty areas. The payment standards to be adopted are reflective of the maximum range permitted by HUD, i.e., 80% to 120% of FMR. NI ReACH will adopt a base of 110% of FMR. The SAFMRs adjust the base upward in many Zip codes (please see Activity 2.a.).

**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.**

This is the first MTW Plan for this PHA.

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

No

**Please explain the payment standards by FMR:**

The Test/Activity. While in Activity 2.a., we are testing whether SAFMRs and higher payment standards result in more housing mobility for families, in Activity 2.b. we will test whether a blanket increase in the payment standards jurisdiction-wide encourages families to find housing outside of high poverty areas. The payment standards to be adopted are reflective of the maximum range permitted by HUD, i.e., 80% to 120% of FMR. NI ReACH will adopt a base of 110% of FMR. The SAFMRs adjust the base upward in many Zip codes (please see Activity 2.a.).

**9.g. - Increase PBV Rent to Owner (HCV)**

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

The Test/Activity. NI ReACH will test whether SAFMRs and higher payment standards result in more housing mobility for families. The test will be conducted in Winnebago County, Stephenson County, and Boone County. SAFMRs are defined by Zip code. The largest number of voucher holders are currently located in Winnebago County. At the present time, there are few voucher holders outside the city of Freeport in Stephenson County and the city of Belvidere in Boone County. This test will allow NI ReACH to capture increased housing mobility in general as well as housing opportunities in rural areas through the Airbnb expansion activity. The map identifies the Zip codes in Winnebago County and the table which follows identifies the proposed SAFMR for each Zip code.

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

Self-sufficiency; 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.**

This is the PHA's first MTW Plan.

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

No

**17.a. - Rental Subsidy Programs**

**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**

**BACKGROUND**

The supply of affordable housing differs considerably between urban and rural areas of the region, and the issues we want to address between the two are different as well. In the urban areas, flexibility in SAFMRs and FMRs will, we believe, increase housing opportunities for families in low-poverty areas. In both urban and rural regions, we are interested in exploring if the supply of affordable housing and more desirable housing can be increased through the guest housing programs such as Airbnb, VRBO, Noirbnb, as examples. Research has shown that such platforms have been successfully used as long-term housing opportunities to address housing availability need for reentry populations and service sector populations, primarily through a demonstration program.

**MTW**

The Test/Activity. For MTW, NI ReACH is proposing an additional initiative which provides a more immediate solution to the problem of housing scarcity -- guest housing programs. As an example, Airbnb, Inc., operates an online marketplace focused on short-term homestays and experiences. The company acts as a broker and charges a commission on each booking. An Airbnb rental could be almost any type of housing: a room in someone's home, an SRO, garage, tiny house, manufactured home, or other structure owned and managed by a single individual, family, or organization.

Our review in the NiReACH service area has shown that guest housing programs may generally list private rooms and homes between 100% to 150% of FMR. These rooms and homes are available month-to-month which could provide immediate housing solutions to people in need, particularly women and children who are fleeing domestic violence situations and/or for homeless service men and women who need short term stays so they can get back on their feet (a need found particularly acute with the emergency housing voucher program enacted during the Covid-19 pandemic). Long term rooms and complete housing are also available in the same FMR affordability, and this program could create further opportunities to be explored in the demonstration, such as partnership with AARP to market with low-income and senior age homeowners and the use of the guest housing review dashboard that then gives assisted families a never-before-used method to also learn of property owner reviews and even provide their own reviews, helpful in dual accountability and selecting quality leasing opportunities.

NI ReACH will contact guest housing programs, beginning with the nonprofit Airbnb.org to discuss the proposed idea and ascertain whether it has been adopted in other parts of the country. NI ReACH will also contact the hosts of these homes to determine their interest in participating. Ni ReACH will also contact other owners in the community that might be interested in participating in a program such as this (recednt news articles have shown that the guest home programs have led to homeowners creating housing for low-income families). The program may be particularly beneficial to homeowners who are senior citizens looking for ways to increase their income. Ni ReACH will track the performance of this test over the year and provide results and recommendations to MTW researchers.

In conjunction with owner outreach, NI ReACH would initially contact Airbnb.org, a 501(c)(3) nonprofit with its own mission and board of directors to help determine the program approach. The nonprofit came about as a result of an Airbnb host in Brooklyn, who offered her place for free to New Yorkers who had to evaluate their dwellings as a result of Hurricane Sandy. Airbnb worked with other owners, and more than 1,000 hosts opened their homes to evacuees in need as well.



Since that time, Airbnb.org set a goal of providing short-term housing to 100,000 guests in times of crisis, and they exceeded that goal in four years. In February 2022, after Russia invaded Ukraine, millions of Ukrainians were forced to flee their homes. Airbnb.org committed to finding temporary housing for 100,000 of them, and more than 40 organizations joined in the effort. Thanks to a global outpouring of support from Hosts and donors, Airbnb.org met its goal in six months and remains dedicated to finding stays for people fleeing Ukraine. To the greatest extent possible, NI ReACH will coordinate with Airbnb.org to test the concept in Northern Illinois and assess whether this approach could be a solution for other parts of the country.

This program would be in compliance with safe harbor, which would be met in that the guest housing platforms are inherently the same as property management companies with the housing listing and payment processing on behalf of the property owner. Broadening the voucher assistance program to include the guest housing market not only gives the same accessibility to all services such as property management along with including an overlooked market--the essence of proper outreach to all eligible housing providers.

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

Self-sufficiency; 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.**

This is the PHA's first MTW Plan.

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

No

**Does the MTW activity apply to all LNT units/properties?**

The MTW activity applies to all units/properties

**Table 17.a.1 - For each third-party partner, please complete the information in the following table.**

Third-party Partner	Type of Services the Partner Provides	# of Units Allocated to that Partner for the Fiscal Year
		0.00

**17.b. - Service Provision**

**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**

**BACKGROUND AND PROPOSED SOLUTION**

Originally, NI ReACH had planned to test the concept of an incentive bonus of \$100 per month to landlords that housed HCV participants. However, in several meetings between NI ReACH and the community, landlords were only slightly interested in incentive bonuses, and few believed it would increase landlord participation in the program. Rather than incentive bonuses, landlords were most interested in ensuring they had good tenants who will respect their housing unit, be good neighbors, and pay their rent on time.

During NI ReACH's HOPE VI program for Champion Park, the housing authority had implemented a relocation service program which was staffed by the current HCV Director. In it, the service coordinator provided counseling and supportive services to ensure that each family had a successful move. The program worked for both the families and landlords and contributed to the overall success of NI ReACH's HOPE VI program. When NI ReACH raised the possibility of this kind of service, the idea was very well received by landlords and participants. Therefore, NI ReACH is proposing to test this service in MTW.

**MTW**

The Test/Activity. This test links to the increases in the FMR and SAFMRs described in 2.a. and 2.b. above. NI ReACH staff has observed that there are additional barriers to housing opportunities, other than low FMRs, particularly for families considering higher cost opportunity areas. These barriers include: 1) a lack of money for security deposits for housing and utilities; 2) a lack of information about schools, day care, transportation, and neighborhood services; 3) the need for budgeting, housekeeping, and other life skills; and 4) the need for knowledge as to how to become involved in a new neighborhood.

In MTW, NI ReACH staff will fill this gap by providing additional relocation services and reasonable fees for security deposits. In specific, NI ReACH will hire a Relocation Service Coordinator who will work with new HCV families and current families that move within the jurisdiction. The Relocation Service Coordinator will help families identify communities that meet their needs; accompany families during their housing search; explain the program to the landlord, if the landlord is not families with HCV; arrange for payment of security deposits where needed; and connect families to ongoing supportive services if needed. The security deposits made on behalf of an HCV family will be considered loans, and payment agreements will be created as part of the housing search process. The Relocation Service Coordinator will also encourage families to enroll in the Family Self-Sufficiency Program.

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

Self-sufficiency; Housing choice

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

This is the PHA's first MTW Plan.

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

No

**What types of services is the MTW agency providing?**

a. At least 75 percent of households admitted by NI ReACH during this initial fiscal year and beyond in the Housing Choice Voucher (HCV), and local, non-traditional programs will be very low-income. NI ReACH will calculate a weighted average of new admissions each year including the first year.

b. NI ReACH provides incentives to families with children where the head of household is working, seeking work, or is preparing for work through the FSS program. Specifically, FSS Service Coordinators connect families to job training, educational programs and other initiatives designed to assist families in obtaining employment and becoming economically self-sufficient. Will continue the use of its policies which encourage employment and self-sufficiency by participating families. In Chapter 20 of NI ReACH's Administrative Plan, the following policy on the FSS program is stated:

i. "The FSS Program provides a vehicle of steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. In an effort to provide added incentive and relief from the public assistance "no win cycle", the Authority maintains an escrow account for participating families whereby increases in rent due to increase in earned income will be deposited. In this manner, the participants are able to move to self-sufficiency once gainfully employed. FSS is intended to enable participants to achieve a greater

degree of economic independence and self-sufficiency. The Program is based upon the following principles:  
ii. Local communities have the capacity for identifying and developing effective solutions for community problems.  
iii. Public and private resources can be made more effectively through a coordinated approach to service delivery.  
iv. The goal of self- sufficiency requires a comprehensive package of services that are tailored to local circumstances and individual needs.  
v. Leadership and communication are essential ingredients for the success of the Program and its participants.”

**How many households did the PHA provide services to in the most recently completed PHA Fiscal Year through this activity?**

0

**Does the MTW activity apply to all LNT units/properties?**

The MTW activity applies to all units/properties

**Are any families receiving services only (i.e., services only and no housing assistance provided by the PHA)?**

No

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

<b>E.</b>	<b>Agency-Specific Waiver(s).</b>
<b>E.1</b>	<p><b>Agency-Specific Waiver(s) for HUD Approval:</b></p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, 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><b>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?</b></p> <p>No Agency-Specific Waivers are being requested.</p>
<b>E.2</b>	<p><b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b></p> <p><b>Does the MTW agency have any approved Agency-Specific Waivers?</b></p> <p>MTW Agency does not have approved Agency-Specific Waivers</p>

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

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	\$672,730	\$672,730	\$0	
2022	\$685,818	\$685,818	\$0	

<b>G.</b>	<b>MTW Statutory Requirements.</b>	
<b>G.1</b>	<b>75% Very Low Income – Local, Non-Traditional.</b> HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.	
	<b>Income Level</b>	<b>Number of Local, Non-Traditional Households Admitted in the Fiscal Year*</b>
	80%-50% Area Median Income	1
	49%-30% Area Median Income	24
	Below 30% Area Median Income	130
	<b>Total Local, Non-Traditional Households</b>	<b>155</b>

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

<b>G.2</b>	<b>Establishing Reasonable Rent Policy.</b>
<p><b>Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?</b> No</p> <p><b>Please describe the MTW agency's plans for its future rent reform activity and the implementation timeline.</b> The PHA will review rent reform activity policy and plan to submit by 12/31/23.</p>	

<b>G.3</b>	<b>Substantially the Same (STS) – Local, Non-Traditional.</b>
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	0 # of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	0 # of unit months

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

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
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<b>G.4</b>	<b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b>
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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	71
2 Person	37
3 Person	23
4 Person	11
5 Person	8
6+ Person	3
Totals	<b>153</b>

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

I.	Evaluations.
No known evaluations.	



September 12 2022

### **NIREACH MOVING TO WORK COMMUNITY MEETING**

By now, you have probably heard that NIREACH was one of the 29 housing authorities in the country that was selected by HUD to participate in the Moving to Work demonstration program.

NIREACH was accepted into the Landlord Incentives cohort where we will test activities relating to:

- Expanding the Fair Market Rents range – will that bring more landlords into the program?
- An annual incentive bonus for landlords if they keep tenants housed past the first year – will that encourage landlords to stay with the program?
- Increasing housing opportunities for participants through the Airbnb program – will that be an effective way to increase housing choice?

NIREACH is also working on adding tenant and landlord portals to their website in the near future. The portals would provide information that you can access at any time. For example, you would be able to figure out how much a unit will rent for through the portal.

Between now and the end of the year, NIREACH will be developing the Supplement to the MTW Plan, which will describe how these activities will be put in place. And we need your input. Please join us on September 15, 2022, at 10 am via Zoom to learn more about MTW and how you can become involved.

Please contact Alan Zais at [AZais@nireach.org](mailto:AZais@nireach.org) for more information and to register for the meeting.

## COMMENTS RECEIVED FROM ADVISORY COUNCIL AND PUBLIC MEETINGS

November 29, 2022

10:00 am via Zoom

### PARTICIPANTS INCLUDE:

- Alan Zais, NI ReACH Executive Director
- Deb Alfredson, NI ReACH, Deputy Director
- Vickie Huwe, NI ReACH, Finance Director
- Kristin Andrews, NI ReACH, HCV Director
- Jilly Graciana, NI ReACH, HCV Staff
- Jimmeka Wilson, Boone County Housing Authority Board, HCV Participant, Advisory Council Member
- Tiffany Barracks, Rockford Apartment Association Board, Landlord, Advisory Council Member
- Amy Kell, Kell Consulting, LLC, Facilitator

### DISCUSSION ABOUT TEST 2.A. SAFMRs

Tiffany Barracks: “Rents are high for a reason. Landlords don’t want HCV participants so they will increase rents to keep S8 residents out. How can we increase participants to exit the program so new ones can come in?”

Alan Zais: “We monitor attrition. We have to spend against an imaginary budget because we are funded by the CY, not our FY. FSS programs help families get ahead.”

### DISCUSSION ABOUT TEST 2.B. FMR

Concurrence

### DISCUSSION ABOUT TEST 4.C. \$100 INCENTIVE BONUS

Tiffany Barracks: “No go. Concerns are security deposits or damages – the issue is tenant damages exceeding the security deposit.”

### DISCUSSION ABOUT TEST 17.A. AIRBNB

Tiffany Barracks: “After the short-term lease, what happens with the family?” She does not want the family to fall through the cracks.

### DISCUSSION ABOUT THE PORTAL

Tiffany Barracks: “As long as the tool generates the same number as the information provided to the participant and to the landlord through NI ReACH notifications. A problem with HCV is the processing time. It’s faster and easier to process a market rate application. The tool itself may not be necessary. It could also add in a layer of confusion. Have to continue to educate the landlords.



November 29, 2022  
2:00 pm via Zoom

#### PARTICIPANTS INCLUDE:

- Alan Zais, NI ReACH Executive Director
- Deb Alfredson, NI ReACH, Deputy Director
- Vickie Huwe, NI ReACH, Finance Director
- Kristin Andrews, NI ReACH, HCV Director
- Jilly Graciana, NI ReACH, HCV Staff
- Pamela Washington, HCV Participants and Advisory Council Member
- Todd Johnson, Rockford Apartment Association President, Landlord, Advisory Council Member
- Amy Kell, Kell Consulting, LLC, Facilitator

#### DISCUSSION ABOUT TEST 2.A. SAFMRS

Todd Johnson: The idea is great from his perspective. He sees no downside except that it might take tenants away from lower cost areas.

Pamela Washington agrees.

#### DISCUSSION ABOUT TEST 2.B. FMR

Concurrence. Both Todd Johnson and Pamela Washington said this is something that has been needed for a long time.

#### DISCUSSION ABOUT TEST 4.C. \$100 INCENTIVE BONUS

Todd Johnson: "This is nice ... with hesitation". "It might incentivize landlords to join the program, but their hesitation is having had bad tenants in the past." He notes though that "he gets bad tenants whether they're on Section 8 or not."

Pamela Washington: Thinks opportunities will increase. People are stuck in bad situations where they aren't safe and if they have a better living situation that is not just based on income", they will be better off.

#### DISCUSSION ABOUT TEST 17.A. AIRBNB

Pamela Washington: "Great idea to aid families in transition – people in dire situations with no way to go. Excellent."

Todd Johnson: "Interesting concept". Only concerned about the short-term housing. "I like it."

#### DISCUSSION ABOUT THE SERVICE PROVIDER CONCEPT

After the concept was explained, Pamela Washington said: "Great" particularly as it relates to "family size". She had to "bring her grandchildren into her house" and while she had the room,

“she did not have any furniture for them”. This concept would “help families to deal with a hardship without having children pay the price”.

Todd Johnson: There could be a warehouse with furniture in a vacant building in Rockford. He noted that he had to take furniture to the dumpster that some tenants left behind after a move. It could be used by other families who are in need.

Alan Zais: The program could help families find a house. Where is the best location, best schools? Help families while helping the landlords because well situated families are less likely to move.

Todd Johnson: Often the tenant cannot afford to rent a truck to relocate.

### DISCUSSION ABOUT THE PORTAL

Pamela Washington: The portal will save time and frustration and the family will not overreach its goal. If there are houses landlords could rent, she would like to know that.

Todd Johnson: Landlord fears are more around the inspections. Helping landlords might be as simple as having the landlord give the tenant the inspection report when he/she shows the unit. Landlords have to pass up market rate applicants because the inspection process takes too long. By choosing market rate applicants, they are basically choosing the applicant with fewer roadblocks.

Amy Kell: Could the service provider conduct the inspection when the unit is being shown?

Todd Johnson: Yes, but also, could there be a Quality Landlord Certificate? It would be a designation for long term landlords whose units always pass inspection or have minor inspection fails.

Alan Zais: NI ReACH could also have a renter education program, whereas participants searching for housing could have completed a program where they received training and education. Completion of this program could result in a preference point for the graduate.

Pamela Washington: Yes, that’s an excellent idea because young parents do not always have the skills to be good renters.

**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 (DD/MM/YYYY), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

- (1) The PHA made the proposed MTW Supplement and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the MTW Supplement and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board(s) or tenant associations, as applicable) before approval of the MTW Supplement by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the annual MTW Supplement.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the MTW Supplement in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) all regulations implementing these authorities; and other applicable Federal, State, and local civil rights laws.
- (5) The MTW Supplement is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The MTW Supplement contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the MTW Supplement is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing, which means that it will: (i) take meaningful actions to further the goals identified by the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15; (ii) take no action that is materially inconsistent with its obligation to affirmatively further fair housing; and (iii) address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d). Note: Until the PHA is required to submit an AFH, and that AFH has been accepted by HUD, the PHA must follow the certification requirements of 24 CFR 903.7(o) in effect prior to August 17, 2015. Under these requirements, the PHA will be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) examines its programs or proposed programs; (ii) identifies any impediments to fair housing choice within those programs; (iii) addresses those impediments in a reasonable fashion in view of the resources available; (iv) works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (v) maintains records reflecting these analyses and actions.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of housing quality standards as required in PIH Notice 2011-45, or successor notice, for any local, non-traditional program units. The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Moving to Work Operations Notice in a manner consistent with its MTW Supplement and will utilize covered grant funds only for activities that are approvable under the Moving to Work Operations Notice and included in its MTW Supplement. MTW Waivers activities being implemented by the agency must fall within the safe harbors outlined in Appendix I of the Moving to Work Operations Notice and/or HUD approved Agency-Specific or Safe Harbor Waivers.
- (23) All attachments to the MTW Supplement have been and will continue to be available at all times and all locations that the MTW Supplement is available for public inspection. All required supporting documents have been made available for public inspection along with the MTW Supplement and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its MTW Supplement and will continue to be made available at least at the primary business office of the MTW PHA.

Boone County Housing Authority

IL122

**MTW PHA NAME**

**MTW PHA NUMBER/HA CODE**

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

Allen Sisson

Chair, Board of Commissioners

**NAME OF AUTHORIZED OFFICIAL**

**TITLE**

**SIGNATURE**

**DATE**




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

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## NI REACH PROPOSED MTW COHORT IV TESTS/ACTIVITIES

1. 2.A. PAYMENT STANDARDS -- SMALL AREA FAIR MARKET RENTS
  2. 2.B. PAYMENT STANDARDS -- FAIR MARKET RENTS
  3. 17.A. LOCAL NON-TRADITIONAL ACTIVITIES – RENTAL SUBSIDY PROGRAMS
  4. 17.B. LOCAL NON-TRADITIONAL ACTIVITIES – SERVICE PROVISION
- 

### A. PHA INFORMATION

PHA Name: Northern Illinois Regional Affordable Community Housing  
(NI ReACH)  
PHA Code: IL-083  
FY Beginning: 4/1/2023  
Program Type: Housing Choice Vouchers  
Supp Type: Annual Submission

#### ***Vision for NI ReACH MTW Program***

The flexibility provided by MTW will enable NI ReACH to implement strategies tailored to our local marketplace that will be cost effective; will support and incentivize families in reaching their self-sufficiency goals or successfully aging-in-place; and will increase housing choice particularly in neighborhoods of opportunity.

### B. NARRATIVE

#### ***How NI ReACH Will Further the Three MTW Statutory Objectives During the Coming Fiscal Year***

Cost Effectiveness. The loosening of fungibility requirements will permit NI ReACH to direct funds to those activities that increase housing choice and support families in their self-sufficiency goals. Additionally, if there is a housing need in a certain population that is not otherwise served, such as domestic violence victims with children or homeless veterans, funds could be set aside for that purpose. Cost savings could be realized through changes in staffing structure focused more on the families rather than the process.

Self-Sufficiency. NI ReACH has established many partnerships with nonprofit and government entities that provide supportive services to our residents. In many cases,

senior NI ReACH staff serves on the boards of our partner organizations. As a result, it is not necessary to develop new relationships before the fiscal year begins. Partnerships include: Rosecrance Mental Health Center, Janet Wattles (mental health), VERA Institute of Justice (NI ReACH's E.D. serves on the workforce committee of the VERA Institute), Rockford-Peoria OSF College of Nursing (NI ReACH's E.D. serves as President), RAMP (which serves persons with disabilities), Remedies, Winnebago County Health Department, Swedish American Hospital for Mental Health, Rockford Public Library, Rock River Training, Goodwill, Rock Valley College, Rockford Career College, Rockford Public Library, Rockford School District, Rockford Park District, Rockford YMCA, Meals on Wheels, Northern Illinois Food Bank, Rockford Mass Transit District, Crusader Clinic, Freeport Area Apartment Association, Rockford Area Apartment Association, City of Rockford Human Services, Rockford Township, HomeStart, and Workforce Connection.

Housing Choice. NI ReACH has Inter Governmental Agreement (IGA) relationships with three other adjacent counties in northern Illinois, two of which will be part of this study, but the lack of flexibility in the use of the FMRs and payment standards means that neighborhoods of opportunity are out of reach for many voucher holders. Participation in MTW will allow us to test whether SAFMRs and higher payment standards in general result in more housing mobility for families. An additional activity which focuses on housing choice is the use of the Airbnb program to expand housing opportunities in the region, particularly in rural areas.

### **C. MTW WAIVERS AND ASSOCIATED ACTIVITIES**

NI ReACH is proposing to implement the following activities beginning in FY 4/1/2023:

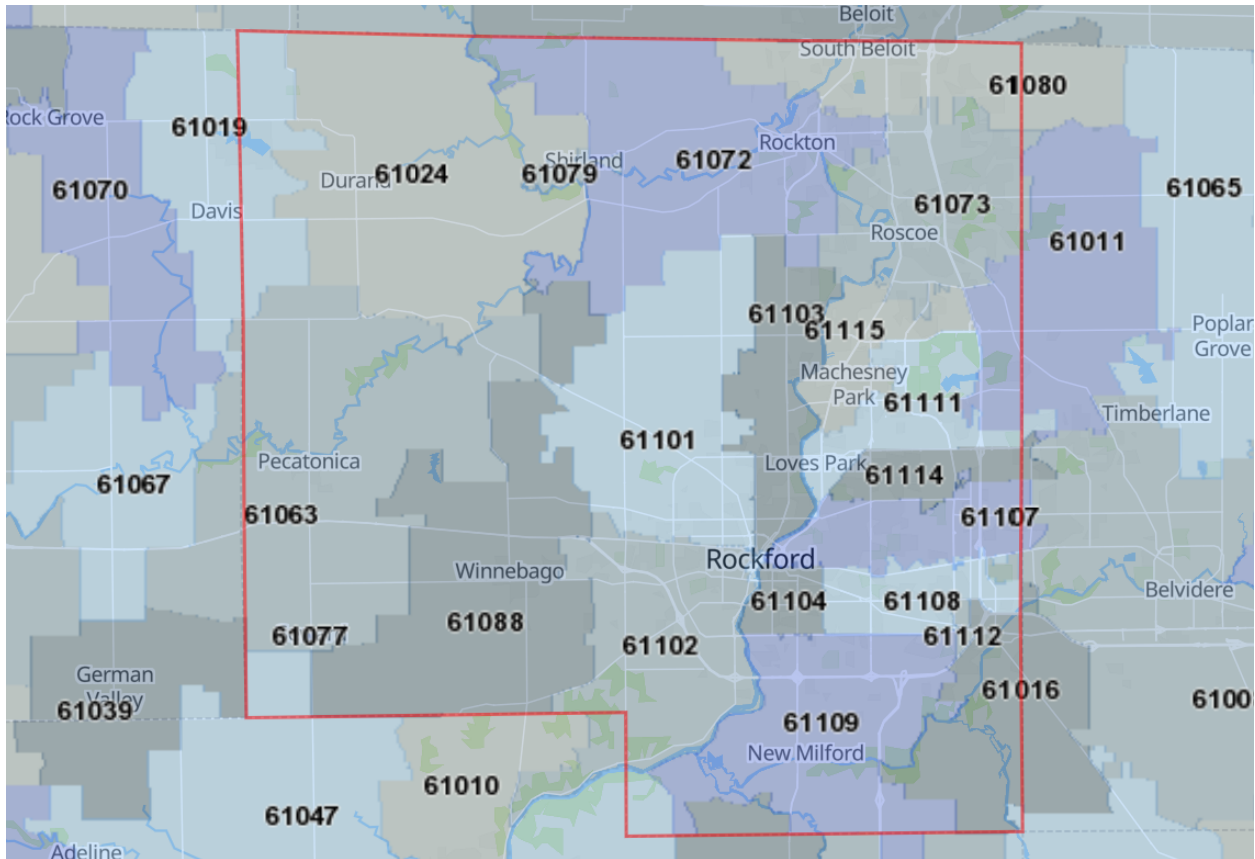
- Activity 2.a. Small Area Fair Market Rents
- Activity 2.b. Fair Market Rents
- Activity 17.a. Local Non-Traditional Activities – Rental Subsidy Programs
- Activity 17.b. Local Non-Traditional Activities – Service Provision

#### **Test/Activity 2.a. – Small Area Fair Market Rents (SAFMRs)**

The Test/Activity. NI ReACH will test whether SAFMRs and higher payment standards result in more housing mobility for families. The test will be conducted in Winnebago County, Stephenson County, and Boone County. SAFMRs are defined by Zip code. The largest number of voucher holders are currently located in Winnebago County. At the present time, there are few voucher holders outside the city of Freeport in Stephenson County and the city of Belvidere in Boone County. This test will allow NI ReACH to capture

increased housing mobility in general as well as housing opportunities in rural areas through the Airbnb expansion activity (please see Activity 17.a.). The map below identifies the Zip codes in Winnebago County and the table which follows identifies the proposed SAFMR for each Zip code.

**WINNEBAGO COUNTY, ILLINOIS**  
PROPOSED SMALL AREA FAIR MARKET RENTS (SAFMR)



Winnebago County Zip codes and the proposed SAFMR for each:

- [61016 \(Cherry Valley\) – 130%](#)
- [61112 \(Cherry Valley\) – 130%](#)
- [61024 \(Durand\) – 110%](#)
- [61111 \(Loves Park\) – 130%](#)
- [61115 \(Machesney Park\) – 130%](#)
- [61063 \(Pecatonica\) – 110%](#)
- [61114 \(Rockford\) – 150%](#)
- [61101 \(Rockford\) – 130%](#)
- [61102 \(Rockford\) – 110%](#)

- [61103 \(Rockford\) – 110%](#)
- [61104 \(Rockford\) – 130%](#)
- [61107 \(Rockford\) – 150%](#)
- [61108 \(Rockford\) – 150%](#)
- [61109 \(Rockford\) – 130%](#)
- [61072 \(Rockton\) – 150%](#)
- [61073 \(Roscoe\) – 150%](#)
- [61077 \(Seward\) – 110%](#)
- [61079 \(Shirland\) – 110%](#)
- [61080 \(South Beloit\) -- 150%](#)
- [61088 \(Winnebago\) – 110%](#)

The SAFMRs in the City of Freeport in Stephenson County and the City of Belvidere in Boone County will both be set at 120%. The remaining Zip codes in each county will be set at 150% as follows:

Stephenson County Zip codes and the proposed SAFMR for each:

- [61013 \(Cedarville\) – 150%](#)
- [61018 \(Dakota\) – 150%](#)
- [61027 \(Eleroy\) – 150%](#)
- [61032 \(Freeport\) – 120%](#)
- [61039 \(German Valley\) – 150%](#)
- [61044 \(Kent\) – 150%](#)
- [61019 \(Lake Summerset\) – 150%](#)
- [61048 \(Lena\) – 150%](#)
- [61050 \(Mc Connell\) – 150%](#)
- [61060 \(Orangeville\) – 150%](#)
- [61062 \(Pearl City\) – 150%](#)
- [61067 \(Ridott\) – 150%](#)
- [61070 \(Rock City\) – 150%](#)
- [61089 \(Winslow\) – 150%](#)

Boone County Zip codes and the proposed SAFMR for each:

- [61008 \(Belvidere\) – 120%](#)
- [61011 \(Caledonia\) – 150%](#)
- [61012 \(Capron\) – 150%](#)
- [61038 \(Garden Prairie\) – 150%](#)
- [61065 \(Poplar Grove\) – 150%](#)



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The Statutory Objectives most aligned with this activity are housing choice and self-sufficiency. Housing choice because voucher holders will have neighborhoods open to them that haven't been in the past due to the FMRs being too low. Self-sufficiency because living in low-poverty neighborhoods has the added benefit of improved transportation, access to employment and services, and access to better schools.

The Anticipated Cost Implication is "decreased expenditures". In this test, the HAP needs for families choosing low poverty neighborhoods will increase, therefore the number of families NI ReACH can serve will decrease. Fewer families equate to a reduction in the amount of processing time required by Ni ReACH staff including intake, renewals, inspections and rent reasonableness analyses.

Different Policy by Household Status/Family Types/Sites. The activity applies to all Housing Choice Voucher households.

Family Types. The activity applies to all family types.

Location. The activity applies to all HCV tenant-based units.

#### Safe Harbor

- i. NI ReACH's Payment Standard range for the SAFMR test is within the HUD permitted range of 80% to 150%.
- ii. NI ReACH SAFMRs are defined by Zip code.
- iii. The required impact analysis is discussed below.
- iv. The required hardship policy can be found beginning on page 19.

Hardship Policy. Please see Hardship policy beginning on page 19.

Hardship Policy Application. The policy applies to all proposed MTW activities.

Does the MTW Activity Require an Impact Analysis? Yes, please see below.

#### Impact Analysis

1. Agency Finances – The anticipated impact is neutral. If the test results in the impact we anticipate, NI ReACH will be serving fewer families. However, new owners will be entering the program with units that have not been in the program in the past. As a result, staff may be spending more time on inspections and re-inspections. In addition, NI ReACH staff will likely refocus on hardship issues, educating families about low poverty areas, and processing landlord incentives.

2. Affordability of Housing Costs for Affected Families – The anticipated impact is neutral. HCV Families will continue to stay at 30% of adjusted gross income in terms of their TTP.
3. Agency's Waitlist – The anticipated impact is longer wait list periods for program applicants. We believe that families will stay with the HCV program longer because the higher market rents will ultimately require higher salaries before the family can move off the program.
4. Agency's Termination Rate of Families – The anticipated impact is lower termination rates. We believe that there will be a decrease in voluntary termination because families will be living in neighborhoods that offer more services and support.
5. HCV Utilization Rate – The anticipated impact is neutral. NI ReACH will continue to utilize all HAP.
6. Meeting the MTW Statutory Objectives – Through this test, NI ReACH will meet the housing choice and self-sufficiency objectives.
7. Meeting the MTW Statutory Requirements
  1. At least 75 percent of households admitted by NI ReACH during this initial fiscal year and beyond in the Housing Choice Voucher (HCV), and local, non-traditional programs will be very low-income. NI ReACH will calculate a weighted average of new admissions each year including the first year.
  2. Ni ReACH provides incentives to families with children where the head of household is working, seeking work, or is preparing for work through the FSS program. Specifically, FSS Service Coordinators connect families to job training, educational programs and other initiatives designed to assist families in obtaining employment and becoming economically self-sufficient. Will continue the use of its policies which encourage employment and self-sufficiency by participating families. In Chapter 20 of NI ReACH's Administrative Plan, the following policy on the FSS program is stated:

"The FSS Program provides a vehicle of steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. In an effort to

provide added incentive and relief from the public assistance “no win cycle”, the Authority maintains an escrow account for participating families whereby increases in rent due to increase in earned income will be deposited. In this manner, the participants are able to move to self-sufficiency once gainfully employed. FSS is intended to enable participants to achieve a greater degree of economic independence and self-sufficiency. The Program is based upon the following principles:

- ✓ Local communities have the capacity for identifying and developing effective solutions for community problems.
  - ✓ Public and private resources can be made more effectively through a coordinated approach to service delivery.
  - ✓ The goal of self-sufficiency requires a comprehensive package of services that are tailored to local circumstances and individual needs.
  - ✓ Leadership and communication are essential ingredients for the success of the Program and its participants.”
3. NI ReACH pledges to continue to assist Substantially the Same (STS) total number of eligible low-income households as we would have housed without the MTW designation. NI ReACH staff will monitor and calculate the amount annually.
  4. NI ReACH will continue to assist a mix of households (by family size) that is comparable to the mix we would have housed had public housing capital and operating funding and voucher funding not been combined as MTW Funding.
  5. NI ReACH will ensure that all housing assisted under the MTW demonstration meets Housing Quality Standards (HQS) and NSPIRE.
8. Hardship Requests and Number Granted/Denied. N/A. This is NI ReACH’s first MTW year.

### **Test/Activity 2.b. – Fair Market Rents (FMRs)**

The Test/Activity. While in Activity 2.a., we are testing whether SAFMRs and higher payment standards result in more housing mobility for families, in Activity 2.b. we will test whether a blanket increase in the payment standards jurisdiction-wide encourages families to find housing outside of high poverty areas. The payment standards to be

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adopted are reflective of the maximum range permitted by HUD, i.e., 80% to 120% of FMR. NI ReACH will adopt a base of 110% of FMR. The SAFMRs adjust the base upward in many Zip codes (please see Activity 2.a.).

The Statutory Objectives most aligned with this activity are cost effectiveness and housing choice. Cost effectiveness because there may be a lower rate of landlords leaving the program. Housing choice because with happier landlords, existing voucher holders could stay in their units longer, which would free up more new units for new HCV families.

The Anticipated Cost Implication is “decreased expenditures” because less processing time is required for units that are already being subsidized in the program.

Different Policy by Household Status/Family Types/Sites. The activity applies to all Housing Choice Voucher households.

Family Types. The activity applies to all family types.

Location. The activity applies to all HCV tenant-based units.

#### Safe Harbor

- i. The Payment Standard is the HUD permitted range of 80% to 120% of the FMR.
- ii. SAFMRs are defined by Zip code (please see 2.a. above).
- iii. The required impact analysis is discussed below.
- iv. The required hardship policy can be found beginning on page 19.

Hardship Policy. Please see Hardship policy beginning on page 19.

Hardship Policy Application. The policy applies to all proposed MTW activities.

Does the MTW Activity Require an Impact Analysis? Yes, please see below.

#### Impact Analysis

1. Agency Finances – The anticipated impact is neutral. If the test results in the impact we anticipate, NI ReACH will be serving fewer families. However, new owners will be entering the program with units that have not been in the program in the past. As a result, staff may be spending more time on inspections and re-inspections. In addition, NI ReACH staff will likely refocus on hardship issues, educating families about low poverty areas, and processing landlord incentives.

2. Affordability of Housing Costs for Affected Families – The anticipated impact is neutral. HCV Families will continue to stay at 30% of adjusted gross income in terms of their TTP.
3. Agency's Waitlist – The anticipated impact is longer wait list periods for program applicants. We believe that families will stay with the HCV program longer because the higher market rents will ultimately require higher salaries before the family can move off the program.
4. Agency's Termination Rate of Families – The anticipated impact is lower termination rates. We believe that there will be a decrease in voluntary termination because families will be living in neighborhoods that offer more services and support.
5. HCV Utilization Rate – The anticipated impact is neutral. NI ReACH will continue to utilize all HAP.
6. Meeting the MTW Statutory Objectives – Through this test, NI ReACH will meet the housing choice and self-sufficiency objectives.
7. Meeting the MTW Statutory Requirements
  1. At least 75 percent of households admitted by NI ReACH during this initial fiscal year and beyond in the Housing Choice Voucher (HCV), and local, non-traditional programs will be very low-income. NI ReACH will calculate a weighted average of new admissions each year including the first year.
  2. Ni ReACH provides incentives to families with children where the head of household is working, seeking work, or is preparing for work through the FSS program. Specifically, FSS Service Coordinators connect families to job training, educational programs and other initiatives designed to assist families in obtaining employment and becoming economically self-sufficient. Will continue the use of its policies which encourage employment and self-sufficiency by participating families. In Chapter 20 of NI ReACH's Administrative Plan, the following policy on the FSS program is stated:

"The FSS Program provides a vehicle of steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. In an effort to

provide added incentive and relief from the public assistance “no win cycle”, the Authority maintains an escrow account for participating families whereby increases in rent due to increase in earned income will be deposited. In this manner, the participants are able to move to self-sufficiency once gainfully employed. FSS is intended to enable participants to achieve a greater degree of economic independence and self-sufficiency. The Program is based upon the following principles:

- ✓ Local communities have the capacity for identifying and developing effective solutions for community problems.
  - ✓ Public and private resources can be made more effectively through a coordinated approach to service delivery.
  - ✓ The goal of self-sufficiency requires a comprehensive package of services that are tailored to local circumstances and individual needs.
  - ✓ Leadership and communication are essential ingredients for the success of the Program and its participants.”
3. NI ReACH pledges to continue to assist Substantially the Same (STS) total number of eligible low-income households as we would have housed without the MTW designation. NI ReACH staff will monitor and calculate the amount annually.
  4. NI ReACH will continue to assist a mix of households (by family size) that is comparable to the mix we would have housed had public housing capital and operating funding and voucher funding not been combined as MTW Funding.
  5. NI ReACH will ensure that all housing assisted under the MTW demonstration meets Housing Quality Standards (HQS) and NSPIRE.
8. Hardship Requests and Number Granted/Denied. N/A. This is NI ReACH’s first MTW year.

### **Test/Activity 17.a. – Local Non-Traditional Activities – Rental Subsidy Programs**

#### **BACKGROUND**

The supply of affordable housing differs considerably between urban and rural areas of the region, particularly in Boone County, and the issues we want to address between the

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two are different as well. In the urban areas, flexibility in SAFMRs and FMRs will, we believe, increase housing opportunities for families in low-poverty areas.

*However, as of October 7, 2022, there are only 26 available rentals in all of Boone County. Of the 26 units, 20 are one-bedroom units located in a single building in Belvidere. There are three 2-BR units, all of which are in Belvidere (the only city in Boone County); two 3-BR units, one of which is in Belvidere and another of which is a trailer in Poplar Grove. In addition, there is one 4-BR unit in Belvidere. Therefore, in all of Boone County exclusive of Belvidere, there is only one rental unit available at any price.*

### **PROPOSED SOLUTIONS**

To address this housing shortage, Boone County Housing Authority (BCHA) will project base some vouchers to provide fixed, long-term homes for families, with the additional benefit that it would stabilize a percentage of the HUD forecast for a stronger smoothing average. BCHA will explore ways to partner with organizations to create new affordable housing for families. The VA has also requested that BCHA move forward with an RFP to project base four VASH vouchers. BCHA's board has approved the VASH RFP, and it will be published in November 2022.

### **MTW**

The Test/Activity. For MTW, NI ReACH is proposing an additional initiative which provides a more immediate solution to the problem of housing scarcity -- Airbnb. Airbnb, Inc., operates an online marketplace focused on short-term homestays and experiences. The company acts as a broker and charges a commission on each booking. An Airbnb rental could be almost any type of housing: a room in someone's home, an SRO, garage, tiny house, manufactured home, or other structure owned and managed by a single individual, family, or organization.

As of October 7, 2022, on Airbnb, there are three private rooms available in Boone County homes at 100% of FMR; 11 private rooms available at 125% of FMR; and 17 private rooms available in Boone County at \$150% of FMR. These rooms are available month-to-month, and could provide housing solutions to people in need, particularly women and children who are fleeing domestic violence situations and/or for homeless service men and women who need short term stays so they can get back on their feet.

NI ReACH will contact Airbnb.org to discuss the proposed idea and ascertain whether it has been adopted in other parts of the country. NI ReACH will also contact the hosts of these Boone County homes on Airbnb to determine their interest in participating. NI ReACH will also contact other owners in the community that might be interested in

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participating in a program such as this. The program may be particularly beneficial to seniors who are looking for ways to increase their income. Ni ReACH will track the performance of this test over the year and provide results and recommendations to MTW researchers.

In conjunction with owner outreach, NI ReACH will also contact Airbnb.org, a 501(c)(3) nonprofit with its own mission and board of directors. The nonprofit came about as a result of an Airbnb host in Brooklyn, who offered her place for free to New Yorkers who had to evaluate their dwellings as a result of Hurricane Sandy. Airbnb worked with other owners, and more than 1,000 hosts opened their homes to evacuees in need as well.

Since that time, Airbnb.org set a goal of providing short-term housing to 100,000 guests in times of crisis, and they exceeded that goal in four years. In February 2022, after Russia invaded Ukraine, millions of Ukrainians were forced to flee their homes. Airbnb.org committed to finding temporary housing for 100,000 of them, and more than 40 organizations joined in the effort. Thanks to a global outpouring of support from Hosts and donors, Airbnb.org met its goal in six months and remains dedicated to finding stays for people fleeing Ukraine.

To the greatest extent possible, NI ReACH will coordinate with Airbnb.org to test the concept in Northern Illinois and assess whether this approach could be a solution for other parts of the country.

The Statutory Objectives most aligned with this activity are housing choice and self-sufficiency. Housing choice because voucher holders will have neighborhoods open to them that haven't been open in the past due to the FMRs being too low. Self-sufficiency because living in low-poverty neighborhoods has the added benefit of improved transportation, access to employment and services, and access to better schools.

The Anticipated Cost Implication is "decreased expenditures". In this test, the HAP needs for families choosing low poverty neighborhoods will increase, therefore the number of families NI ReACH can serve will decrease. Fewer families equate to a reduction in the amount of processing time required by Ni ReACH staff including intake, renewals, inspections and rent reasonableness analyses.

Different Policy by Household Status/Family Types/Sites. The activity applies to all Housing Choice Voucher households.



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Family Types. The activity applies to all family types with a focus on families with urgent needs.

Location. The activity applies to all HCV tenant-based units.

Safe Harbor

- i. NI ReACH will not spend more than 10% of its HAP budget on this local, non-traditional activity.
- ii. Families receiving housing through Airbnb will meet the HUD definition of low-income.
- iii. NI ReACH will comply with Notice PIH 2011-45 or any successor notice and/or guidance.
- iv. Any MTW Funding awarded to a third-party provider will be competitively bid.

Hardship Policy. Please see Hardship policy beginning on page 19.

Hardship Policy Application. The policy applies to all proposed MTW activities.

Does the MTW Activity Require an Impact Analysis? Yes, please see below. We anticipate that the Airbnb test will be very small in the first year. Nevertheless, there is a potential for the following impacts.

1. Agency Finances – Could increase because the period of occupancy will be less than a year.
2. Affordability of Housing Costs for Affected Families – No impact.
3. Agency's Waitlist – More families will be served because housing opportunity is increasing.
4. Agency's Termination Rate of Families – No impact.
5. HCV Utilization Rate – The HCV utilization rate may increase because of the additional housing opportunities provided by Airbnb.
6. Meeting the MTW Statutory Objectives – The test meets the objective of increasing housing choice.
7. Meeting the MTW Statutory Requirements

1. At least 75 percent of households admitted by NI ReACH during this initial fiscal year and beyond in the Housing Choice Voucher (HCV), and local, non-traditional programs will be very low-income. NI ReACH will calculate a weighted average of new admissions each year including the first year.
  
2. Ni ReACH provides incentives to families with children where the head of household is working, seeking work, or is preparing for work through the FSS program. Specifically, FSS Service Coordinators connect families to job training, educational programs and other initiatives designed to assist families in obtaining employment and becoming economically self-sufficient. Will continue the use of its policies which encourage employment and self-sufficiency by participating families. In Chapter 20 of NI ReACH's Administrative Plan, the following policy on the FSS program is stated:

"The FSS Program provides a vehicle of steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. In an effort to provide added incentive and relief from the public assistance "no win cycle", the Authority maintains an escrow account for participating families whereby increases in rent due to increase in earned income will be deposited. In this manner, the participants are able to move to self-sufficiency once gainfully employed. FSS is intended to enable participants to achieve a greater degree of economic independence and self-sufficiency. The Program is based upon the following principles:

  - ✓ Local communities have the capacity for identifying and developing effective solutions for community problems.
  - ✓ Public and private resources can be made more effectively through a coordinated approach to service delivery.
  - ✓ The goal of self- sufficiency requires a comprehensive package of services that are tailored to local circumstances and individual needs.
  - ✓ Leadership and communication are essential ingredients for the success of the Program and its participants."
  
3. NI ReACH pledges to continue to assist Substantially the Same (STS) total number of eligible low-income households as we would have housed without

- the MTW designation. NI ReACH staff will monitor and calculate the amount annually.
4. NI ReACH will continue to assist a mix of households (by family size) that is comparable to the mix we would have housed had public housing capital and operating funding and voucher funding not been combined as MTW Funding.
  5. NI ReACH will ensure that all housing assisted under the MTW demonstration meets Housing Quality Standards (HQS) and NSPIRE.
8. Hardship Requests and Number Granted/Denied. N/A. This is the first MTW year.

### **Test/Activity 17.b. – Local Non-Traditional Activities – Service Provision**

#### **BACKGROUND AND PROPOSED SOLUTION**

Originally, NI ReACH had planned to test the concept of an incentive bonus of \$100 per month to landlords that housed HCV participants. However, in several meetings between NI ReACH and the community, landlords were only slightly interested in incentive bonuses, and few believed it would increase landlord participation in the program. Rather than incentive bonuses, landlords were most interested in ensuring they had good tenants who will respect their housing unit, be good neighbors, and pay their rent on time.

During NI ReACH's HOPE VI program for Champion Park, the housing authority had implemented a relocation service program which was staffed by the current HCV Director. In it, the service coordinator provided counseling and supportive services to ensure that each family had a successful move. The program worked for both the families and landlords and contributed to the overall success of NI ReACH's HOPE VI program. When NI ReACH raised the possibility of this kind of service, the idea was very well received by landlords and participants. Therefore, NI ReACH is proposing to test this service in MTW.

#### **MTW**

The Test/Activity. This test links to the increases in the FMR and SAFMRs described in 2.a. and 2.b. above. NI ReACH staff has observed that there are additional barriers to housing opportunities, other than low FMRs, particularly for families considering higher cost opportunity areas. These barriers include: 1) a lack of money for security deposits for housing and utilities; 2) a lack of information about schools, day care, transportation, and neighborhood services; 3) the need for budgeting, housekeeping, and other life skills; and 4) the need for knowledge as to how to become involved in a new neighborhood.

In MTW, NI ReACH staff will fill this gap by providing additional relocation services and reasonable fees for security deposits. In specific, NI ReACH will hire a Relocation Service Coordinator who will work with new HCV families and current families that move within the jurisdiction. The Relocation Service Coordinator will help families identify communities that meet their needs; accompany families during their housing search; explain the program to the landlord, if the landlord is not families with HCV; arrange for payment of security deposits where needed; and connect families to ongoing supportive services if needed. The security deposits made on behalf of an HCV family will be considered loans, and payment agreements will be created as part of the housing search process. The Relocation Service Coordinator will also encourage families to enroll in the Family Self-Sufficiency Program.

The Statutory Objectives most aligned with this activity are housing choice and self-sufficiency. Housing choice because voucher holders will have neighborhoods open to them that haven't been open in the past due to the FMRs being too low. Self-sufficiency because living in low-poverty neighborhoods has the added benefit of improved transportation, access to employment and services, and access to better schools.

The Anticipated Cost Implication is "increased expenditures". In this test, NI ReACH will fund the Relocation Service Coordinator position through Administrative Fees. NI ReACH will also fund the security deposit revolving loan program with Administrative Fees. As this is the first year this activity will be tested, NI ReACH estimated that \$50,740 in Administrative Fees would be required to fund all potential moves during the first year. The equation is as follows: NI ReACH's Per Unit Cost is \$573. In MTW, the highest SAFMR in the jurisdiction will be 150%. The Director of the HCV program has determined that there are 59 moves on average per year. Therefore:  $\$573 \times 150\% \times 59 = \$50,740$ .

Even considering the increased expenditures, NI ReACH believes, and previous results have confirmed, that more services for new families and families that move will strengthen and enlarge satisfaction in the program for both families and landlords.

Different Policy by Household Status/Family Types/Sites. The activity applies to all new Housing Choice Voucher households and to current HCV households that relocate within RI ReACH's jurisdiction.

Family Types. The activity applies to all family types.

Location. The activity applies to all HCV tenant-based units.

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### Safe Harbor

- v. NI ReACH will not spend more than 10% of its HAP budget on this local, non-traditional activity.
- vi. Families receiving services in this test will meet the HUD definition of low-income.
- vii. NI ReACH will comply with Notice PIH 2011-45 or any successor notice and/or guidance.
- viii. Any MTW Funding awarded to a third-party provider will be competitively bid.

Hardship Policy. Please see Hardship policy beginning on page 19.

Hardship Policy Application. The policy applies to all proposed MTW activities.

Does the MTW Activity Require an Impact Analysis? Yes, please see below.

1. Agency Finances – The additional services and provision of fees will impact the agency's finances.
2. Affordability of Housing Costs for Affected Families – No impact.
3. Agency's Waitlist – No impact.
4. Agency's Termination Rate of Families – Additional supportive services should decrease the termination rate of families.
5. HCV Utilization Rate – The HCV utilization rate may increase because families are receiving more supportive services.
6. Meeting the MTW Statutory Objectives – The test meets the objective of increasing housing choice.
7. Meeting the MTW Statutory Requirements
  - a. At least 75 percent of households admitted by NI ReACH during this initial fiscal year and beyond in the Housing Choice Voucher (HCV), and local, non-traditional programs will be very low-income. NI ReACH will calculate a weighted average of new admissions each year including the first year.

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- b. NI ReACH provides incentives to families with children where the head of household is working, seeking work, or is preparing for work through the FSS program. Specifically, FSS Service Coordinators connect families to job training, educational programs and other initiatives designed to assist families in obtaining employment and becoming economically self-sufficient. Will continue the use of its policies which encourage employment and self-sufficiency by participating families. In Chapter 20 of NI ReACH's Administrative Plan, the following policy on the FSS program is stated:
- i. "The FSS Program provides a vehicle of steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. In an effort to provide added incentive and relief from the public assistance "no win cycle", the Authority maintains an escrow account for participating families whereby increases in rent due to increase in earned income will be deposited. In this manner, the participants are able to move to self-sufficiency once gainfully employed. FSS is intended to enable participants to achieve a greater degree of economic independence and self-sufficiency. The Program is based upon the following principles:
    - ii. Local communities have the capacity for identifying and developing effective solutions for community problems.
    - iii. Public and private resources can be made more effectively through a coordinated approach to service delivery.
    - iv. The goal of self-sufficiency requires a comprehensive package of services that are tailored to local circumstances and individual needs.
    - v. Leadership and communication are essential ingredients for the success of the Program and its participants."
- c. NI ReACH pledges to continue to assist Substantially the Same (STS) total number of eligible low-income households as we would have housed without the MTW designation. NI ReACH staff will monitor and calculate the amount annually.
- d. NI ReACH will continue to assist a mix of households (by family size) that is comparable to the mix we would have housed had public housing capital and operating funding and voucher funding not been combined as MTW Funding.

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- e. NI ReACH will ensure that all housing assisted under the MTW demonstration meets Housing Quality Standards (HQS) and NSPIRE.
8. Hardship Requests and Number Granted/Denied. N/A. This is the first MTW year.

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### **6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

#### PHA Policy

The financial hardship rules described below does apply to Winnebago County and Hosmer/Brewster Apartments because the PHA has established a minimum rent of \$50.

#### **Overview**

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

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

#### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

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

#### PHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

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

#### PHA Policy



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

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

PHA Policy

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

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

PHA Policy

The PHA has not established any additional hardship criteria.

**Implementation of Hardship Exemption**

***Determination of Hardship***

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

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

PHA Policy

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

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

<b>Example: Impact of Minimum Rent Exemption</b>			
Assume the PHA has established a minimum rent of \$50.			
<b>Family Share – No Hardship</b>		<b>Family Share – With Hardship</b>	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$50	Minimum rent	\$50	Minimum rent
Minimum rent applies. TTP = \$50		Hardship exemption granted. TTP = \$15	

PHA Policy

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

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

***No Financial Hardship***

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

PHA Policy

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

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### ***Temporary Hardship***

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

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

#### PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

### ***Long-Term Hardship***

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

#### PHA Policy

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

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

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## **6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

### PHA Policy

The financial hardship rules described below does apply to Winnebago County and Hosmer/Brewster Apartments because the PHA has established a minimum rent of \$50.

### **Overview**

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

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

### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

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

### PHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

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

### PHA Policy

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

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

PHA Policy

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

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

PHA Policy

The PHA has not established any additional hardship criteria.

## **Implementation of Hardship Exemption**

### ***Determination of Hardship***

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

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

PHA Policy

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

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

<b>Example: Impact of Minimum Rent Exemption</b>			
Assume the PHA has established a minimum rent of \$50.			
<b>Family Share – No Hardship</b>		<b>Family Share – With Hardship</b>	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15		\$15	
N/A	10% of monthly gross income	N/A	10% of monthly gross income
\$50	Welfare rent	\$50	Welfare rent
	Minimum rent		Minimum rent
Minimum rent applies. TTP = \$50		Hardship exemption granted. TTP = \$15	

PHA Policy

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

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

**No Financial Hardship**

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

PHA Policy

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

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### ***Temporary Hardship***

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

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

#### PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

### ***Long-Term Hardship***

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

#### PHA Policy

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

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