

PHA Name : Kern County

PHA Code : CA008

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 7/1/2024

PHA Program Type: Combined

MTW Cohort Number: Stepped and Tiered Rent

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

The Housing Authority of the County of Kern's (Kern) overall vision for the Moving to Work Program (MTW) is to reduce cost and achieve greater cost effectiveness in federal expenditures, give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient, and to increase housing choices for low-income families. MTW will help Kern reduce costs related to the administration of the Housing Choice Vouchers (HCV) and Low- Income Public Housing (LIPH) programs through a simplified rent restructure and recertification process for the test group. This improved cost effectiveness will enable the agency to direct additional resources toward full utilization of available HCVs and help fund Housing Navigators and Service Coordinators focused on improving housing choice and participant self-sufficiency. Reduced administrative costs will also allow us to increase payment standards to make additional higher opportunity neighborhoods available to HCV participants. Finally, the stepped rent structure will incentivize tenants and participants (collectively, TP) to increase their income by removing a commonly-sighted deterrent—the idea that a 30% “tax” on earnings is being levied as household income increases.

C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).

1. Tenant Rent Policies	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Currently Implementing
d. Stepped Rent (HCV)	Currently Implementing
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)	Currently Implementing
w. Alternative Income Inclusions/Exclusions (HCV)	Currently Implementing
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Not Currently Implemented
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Currently Implementing
b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Not Currently Implemented
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Currently Implementing
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Currently Implementing
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	

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

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

1.c. - Stepped Rent (PH)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>Kern seeks to implement alternative rent policy MTW Test Rent #2: Stepped Rent (SR). The rationale for why SR was chosen is that it closely aligned with Kern's vision and goals. Kern's vision for the MTW program is to streamline administration of the HCV and LIPH programs, incentivize residents/participants to increase their income, and discover new ways to help them secure housing in higher opportunity neighborhoods. The SR policy will streamline the programs by reducing income recertifications and simplifying rent calculation, incentivize participants and tenants to increase their income by decoupling rent from income increases, and make more financial and human resources available to help TPs find housing in higher opportunity areas through the use of Housing Navigators. Kern will make services and/or referrals to services to support preparing families for the termination of assistance, if applicable.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Self-sufficiency; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Non-elderly, non-disabled families</p>
<p>Does the MTW activity apply to all public housing developments?</p> <p>The MTW activity applies to specific developments</p>
<p>Which developments participate in the MTW activity?</p> <p>The developments that have tenants/participants who meet the eligible family type.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>This activity started in January of 2023. The accomplishment has been to complete the massive amount of preparation work necessary to initiate the activity i.e., software updates, strategic planning, staff training, facilities preparations, etc.</p> <p>Twenty six participants have enrolled in the Stepped Rent program, and one was a new admission.</p>
<p>Does this MTW activity require a hardship policy?</p>

Yes

This document is attached.

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

Yes

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

1.d. - Stepped Rent (HCV)

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

No

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

1.00

How many hardship requests were approved?

0

How many hardship requests were denied?

0

How many are pending?

1

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

Yes

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

1.d. - Stepped Rent (HCV)

Describe how the stepped rent is structured, including the following: how each household's rent will be set in the first year; how frequently rents will change and by what amount; and how the stepped rent will end (i.e., what is the maximum rent).

The first rent amount under the SR calc for recerts is based on 12-mo retrospective adjusted income (RAI). Rent is set at 30% RAI. Then, rent steps up annually by 3% of FMR per unit size. For households eligible for child care and dependent deductions under Kern's current policies, those deductions will be used for the calc of the first rent amount. First rent amount under the SR policy for newly admitted households is based on current adjusted income (CAI). Rent is 30% of CAI. Then rent steps up annually by 3% of FMR per unit size. If an HCV households RAI results in zero HAP at the first recert following study enrollment, implement standard zero-HAP process, 6-mo zero-HAP grace period. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household could request a hardship. This would halt the HCV term process. If an HCV household's CAI is over 120% of AMI at subsequent triennial eligibility check

(STEC), this designates the household as zero-HAP. The household would receive a 6-mo zero HAP grace period. At the end of that grace period, the household exits the voucher program. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household can request a hardship which would halt the HCV term process. If a PH households income is over the limit the first recert following study enrollment or at a STEC, Kern's standard over-income procedures will be triggered. Kern will then measure income the following year. Over-income rent rules supersede the SR policy. In public housing, is when the households TTP reaches flat rent.

Please upload a document that presents the stepped rent schedule in the form of a table.

This document is attached.

If a household progresses all the way through the stepped rent schedule, what will their status be?

Other\Not Applicable. [If checked]: Please explain

HCV Zero-HAP at subsequent triennial recerts:

If an HCV households CAI is over 120% of AMI at subsequent triennial eligibility check (STEC), this designates the household as zero-HAP. The household would receive a 6-mo zero HAP grace period. At the end of that grace period, the household exits the voucher program. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household can request a hardship which would halt the HCV term process.

Public Housing (PH) over-income rule:

If a PH households income is over the limit the first recert following study enrollment or at a STEC, Kern's standard over-income procedures will be triggered. Kern will then measure income the following year. Over-income rent rules supersede the SR policy.

The last rent step:

In public housing, is when the household's TTP reaches flat rent.

1.d. - Stepped Rent (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

Kern seeks to implement alternative rent policy MTW Test Rent #2: Stepped Rent (SR). The rationale for why SR was chosen is that it closely aligned with Kern's vision and goals. Kern's vision for the MTW program is to streamline administration of the HCV and LIPH programs, incentivize residents/participants to increase their income, and discover new ways to help them secure housing in higher opportunity neighborhoods. The SR policy will streamline the programs by reducing income recertifications and simplifying rent calculation, incentivize participants and tenants to increase their income by decoupling rent from income increases, and make more financial and human resources available to help TPs find housing in higher opportunity areas through the use of Housing Navigators. Kern will make services and/or referrals to services to support preparing families for the termination of assistance, if applicable.

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

Cost effectiveness; 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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

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

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

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

The properties in which eligible tenants/participants reside.

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.

The activity was initiated in January of 2023. The primary accomplishment was the massive amount of preparatory work necessary to initiate the activity i.e., staff training, facilities preparations, technology improvements, strategic planning, etc. There are 299 participants in the Stepped Rent Program, with 43 new admissions.

Note: There are a high number of hardship requests because of the automatic hardships due to the different way we calculate rent for stepped rent families. If the new calculation caused the tenants rent to exceed 40% of their income they were automatically placed on a 6 month hardship. We expect to see this number decrease over time.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

No

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

No

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

94.00

How many hardship requests were approved?

86

How many hardship requests were denied?

3

How many are pending?

5

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

No

Describe how the stepped rent is structured, including the following: how each household's rent will be set in the first year; how frequently rents will change and by what amount; and how the stepped rent will end (i.e., what is the maximum rent).

Recertifying Households: The first rent amount under the SR calc for recerts is based on 12-mo retrospective adjusted income (RAI). Rent is set at 30% RAI. Then, rent steps up annually by 3% of FMR per unit size. For households eligible for child care and dependent deductions under Kern's current policies, those deductions will be used for the calc of the first rent amount. Retrospective period: The period ending 120 days prior to the recert effective date. Always begins on the first of the mo, ends the last day of the mo. New Admissions: First rent amount under the SR policy for newly admitted households is based on current adjusted income (CAI). Rent is 30% of CAI. Then rent steps up annually by 3% of FMR per unit size. HCV Zero-HAP at first recert following study enrollment:

If an HCV households RAI results in zero HAP at the first recert following study enrollment, implement standard zero-HAP process, 6-mo zero-HAP grace period. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household could request a hardship. This would halt the HCV term process. HCV Zero-HAP at subsequent triennial recerts: If an HCV households CAI is over 120% of AMI at subsequent triennial eligibility check (STEC), this designates the household as zero-HAP. The household would receive a 6-mo zero HAP grace period. At the end of that grace period, the household exits the voucher program. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household can request a hardship which would halt the HCV term process. Public Housing (PH) over-income rule: If a PH households income is over the limit the first recert following study enrollment or at a STEC, Kern's standard over-income procedures will be triggered. Kern will then measure income the following year. Over-income rent rules supersede the SR policy. The last rent step: In public housing, is when the households TTP reaches flat rent.

Please upload a document that presents the stepped rent schedule in the form of a table.

This document is attached.

If a household progresses all the way through the stepped rent schedule, what will their status be?

Other\Not Applicable. [If checked]: Please explain

HCV Zero-HAP at first recert following study enrollment:

If an HCV households RAI results in zero HAP at the first recert following study enrollment, implement standard zero-HAP process, 6-mo zero-HAP grace period. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household could request a hardship. This would halt the HCV term process.

HCV Zero-HAP at subsequent triennial recerts:

If an HCV households CAI is over 120% of AMI at subsequent triennial eligibility check (STEC), this designates the household as zero-HAP. The household would receive a 6-mo zero HAP grace period. At the end of that grace period, the household exits the voucher program. However, if the zero-HAP rent, or a loss of income, causes a rent burden above 40% of CAI, the household can request a hardship which would halt the HCV term process.

Public Housing (PH) over-income rule:

If a PH households income is over the limit the first recert following study enrollment or at a STEC, Kern's standard over-income procedures will be triggered. Kern will then measure income the following year. Over-income rent rules supersede the SR policy.

The last rent step:

In public housing, is when the households TTP reaches flat rent.

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

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

The MTW activity for 1.v. is to increase the minimum "cash value" of a households asset or assets to be factored into their

income calculation at \$5,000 and increase that to \$25,000 for all Public Housing residents. The goal for this MTW activity is to streamline program administration and reduce administrative burdens to benefit both the tenant and the agency. This activity ties directly to the MTW goal of increasing the cost effectiveness of operations.

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

Cost effectiveness; 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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

Does the MTW activity apply to all public housing developments?

The MTW activity applies to all developments

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 waiver reduced our lease up times, but caused us to spend more out of our operating subsidy as less assets were counted towards income.

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

No

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

No

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

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

The MTW activity for 1.w. is to increase the minimum "cash value" of a households asset or assets to be factored into their income calculation at \$5,000 and increase that to \$25,000 for all HCV participants. The goal for this MTW activity is to streamline program administration and reduce administrative burdens to benefit both the tenant and the agency. This activity ties directly to the MTW goal of increasing the cost effectiveness of operations.

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

Cost effectiveness; 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 revenue; 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 waiver improved our success rate of voucher issuance to lease up, but caused us to spend more on our cost per unit.

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

No

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

No

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

This waiver will allow Kern to increase Fair Market Rents (FMR) for the (HCV) program to 120% of FMR. This activity may impact cost effectiveness by reducing the staff time committed to helping participants find new units and granting extensions for vouchers nearing expiration. This activity may impact self-sufficiency by making new housing choices available to households in areas where more amenities are available than where the household currently resides. If those resources are available, increased self-sufficiency may result. This activity will directly impact housing choice by making more units available to voucher holders.

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

Cost effectiveness; 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 revenue; 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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

Any HCV unit or voucher holder will participate in this activity.

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 waiver improved our success rate of voucher issuance to lease up, but caused us to spend more on our cost per unit.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

No

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

No

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

No hardship were requested in the most recent fiscal year.

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

No

Please explain the payment standards by FMR:

0 & 1 bedroom payment standard (PS) is 108%, 2 bedrooms PS is 100%, 3 bedrooms PS 100%, 4bedrooms PS 100% of

FMR

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

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

Kern seeks to implement Alternative Reexamination Schedule for Households (PH & HCV) ("ARS") whereby reexaminations will occur at least every three years. The rationale for why ARS was chosen is that it is an integral component of the stepped-rent activity. Kern's vision for the MTW program is to streamline administration of the LIPH and HCV programs, incentivize residents/participants to increase their income, and discover new ways to help them secure housing in higher opportunity neighborhoods. The ARS policy is an integral part of streamlining processes by minimizing the number of recertification examinations. This activity will not only free up human resources to assist residents/participants in other self-sufficiency activities but also reduce the amount of time households spend planning for, and attending, recertification examinations.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

Does the MTW activity apply to all public housing developments?

The MTW activity applies to specific developments

Which developments participate in the MTW activity?

The developments in which there are eligible tenants/participants.

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 waiver will not be actualized until stepped rent tenants and participants start reexaminations a year after the stepped rent policy has been enacted which is over one year from now.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

No

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

No

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

1.00

How many hardship requests were approved?

0

How many hardship requests were denied?

0

How many are pending?
1
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?
Yes
What is the status of the Safe Harbor Waiver request?
The waiver was previously approved.
Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity.
This Safe Harbor simply allows households the ability to apply for a hardship waiver instead of an Interim. This allows households to benefit from the hardship policy which aligns with stepped rent and the triennial review.
Does the MTW activity require an impact analysis?
Yes
This document is attached.
Does the impact analysis apply to more than this MTW activity?
No
What is the recertification schedule?
Once every three years
How many interim recertifications per year may a household request?
0
Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.
Via a hardship.

3.b. - Alternative Reexamination Schedule for Households (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative
Kern seeks to implement Alternative Reexamination Schedule for Households (PH & HCV) ("ARS") whereby reexaminations will occur at least every three years. The rationale for why ARS was chosen is that it is an integral component of the stepped-rent activity. Kern's vision for the MTW program is to streamline administration of the LIPH and HCV programs, incentivize residents/participants to increase their income, and discover new ways to help them secure housing in higher opportunity neighborhoods. The ARS policy is an integral part of streamlining processes by minimizing the number of recertification examinations. This activity will not only free up human resources to assist residents/participants in other self-sufficiency activities but also reduce the amount of time households spend planning for, and attending, recertification examinations.
Which of the MTW statutory objectives does this MTW activity serve?
Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

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

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

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

Those that have eligible tenants and participants.

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 waiver will not be actualized until stepped rent tenants and participants start reexaminations a year after the stepped rent policy has been enacted which is over one year from now.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

No

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

No

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

No hardship were requested in the most recent fiscal year.

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

Yes

What is the status of the Safe Harbor Waiver request?

The waiver was previously approved.

Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity.

It allows the tenants and participants to utilize a hardship waiver.

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

No

What is the recertification schedule?

Once every three years

How many interim recertifications per year may a household request?

0

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

Via a hardship waiver.

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

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

This waiver will allow Kern to pre-qualify HCV units for their HQS inspections. Kern's goal for this request is to increase cost effectiveness by expediting the lease-up process. Increases in efficiency result in cost effectiveness, freeing up staff time to so that there are additional resources available to focus on cost effectiveness measures, self-sufficiency efforts, and increasing household's housing choices. This inspection will be valid for 90 days maximum. TPs will be able to request an interim inspection. HQS inspection standards will not be altered as found at 24 C.F.R. 982.401.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

This waiver applies to HCV units.

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 waiver has afforded initial staff time-savings while pre-qualify HCV units for their HQS inspections.

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

No

How long is the pre-inspection valid for?

The pre-inspection is valid for 90 days.

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

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

This waiver will allow Kern to perform HQS inspections on PBV units that it owns, manages, and/or controls. Kern's goal for this request is to increase cost effectiveness by expediting the lease-up process. Increases in efficiency result in cost effectiveness, freeing up staff time to so that there are additional resources available to focus on cost effectiveness measures, self-sufficiency efforts, and increasing household's housing choices. Kern will establish and make available a quality assurance method to ensure an objective analysis. TPs will be able to request an interim inspection. HQS inspection standards will not be altered as found at 24 C.F.R. 982.401. At the Department of Housing and Urban

Development's request, Kern will obtain the services of a third-party entity to determine if PHA-owned units pass HQS.

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

Cost effectiveness

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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

The MTW activity applies to all properties with project-based vouchers

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

This wavier has been enacted and has afforded increased process effectiveness.

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

No

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

Following will explain the quality assurance method

Kern will utilize the form HUD-52580 "Inspection Checklist" to ensure the quality of the HQS inspections.

This document is attached.

9.a. - Increase PBV Program Cap (HCV)

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

This wavier will allow Kern to increase the number of authorized units that it project-bases. Kern's goal for this request is to increase cost effectiveness by freeing up new units that can be accessed by voucher holders. This will help keep vacancies low and development cash-flow optimal. This activity will also help with our goal of increasing housing choices because there are so many households looking for available units on which they can use their vouchers, the fewer the household are searching the higher the chance they will be able to find a suitable unit. Kern will authorize project-basing more than 50% of the lower of either the total authorized units or annual budget authority.

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

Cost effectiveness; Self-sufficiency

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

Increased revenue; 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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

The MTW activity applies to all properties with project-based vouchers

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

Kern will leverage this wavier as new developments are created.

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

No

What percentage of total authorized HCV units will be authorized for project-basing?

50.00%

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

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

This wavier will allow Kern to eliminate the selection process in the award of PBVs to properties owned by Kern that are not public housing without engaging in an initiative to improve, develop, or preplace a public housing property or site, though site selection requirements will be met for this activity. Kern's goal for this request is to increase cost effectiveness by eliminating this process. Increases in efficiency result in cost effectiveness, freeing up staff time to so that there are additional resources available to focus on cost effectiveness measures, self-sufficiency efforts, and increasing household's housing choices. With this waiver, a subsidy layering review will be conducted and HQS inspections will be performed by an independent entity according to 24 C.F.R. 983.59(b) or 24 C.F.R. 983.103(f). Also with this waiver, Kern is subject to Notice PIH 2013-27 where applicable, or successor and the property must be owned by a single-asset entity of the agency, per Notice PIH 2017-21.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

The MTW activity applies to all properties with project-based vouchers

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

Kern will leverage this waiver as new developments are initiated.

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

No

9.e. - Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)

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

This waiver will allow Kern to attach and pay PBV assistance for shared housing units and/or manufactured housing. Kern's goal for this request is to increase cost effectiveness by freeing up new units that can be accessed by voucher holders. This will help voucher holders to more readily find available units, reducing staff time devoted to attempting to find new, viable units. Of course, more households who are able to find homes, results in more households take one major step toward self-sufficiency. This activity also clearly and directly increases housing choices for voucher holders by opening up housing options. PBV units must comply with HQS and must comply with deconcentration and desegregation requirements under 24 C.F.R. part 903. Also, a subsidy layering review will be conducted and shared housing units will not be owner occupied. This coming year Kern anticipates assisting 25 shared housing units and 25 manufactured housing units in the Fiscal Year.

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

Cost effectiveness; 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 revenue

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

The MTW activity applies to all properties with project-based vouchers

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

The bulk of the effort for this waiver has gone into researching how Kern can best leverage the potential of this waiver.

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

No

How many shared housing units does the MTW agency anticipate assisting in the Fiscal Year?

0

How many shared housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?
3
How many manufactured housing units does the MTW agency anticipate assisting in the Fiscal Year?
0
How many manufactured housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?
0

9.h. - Limit Portability for PBV Units (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative This waiver will allow Kern to extend the requirement to provide a tenant-based voucher, when requested by a PBV household, from 12 to 24 months. Kern's goal for this request is to increase cost effectiveness by reducing the staff time committed to these requests by extending the wait time. The extended wait time may result in some participants not wanting to move at all. Therefore, this activity may also limit the amount of staff time devoted to these requests. As part of the process of self-sufficiency for many households is stability; of home, relationship, amenities, etc., we believe this activity may also help increase household self-sufficiency. Kern has, and will utilize, our clear and uniform policy that addresses how move requests are received and how they are approved/denied for PBV households. Participants will still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.
Which of the MTW statutory objectives does this MTW activity serve? Cost effectiveness
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Decreased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to all properties with project-based vouchers
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. The waiver has been initiated.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

11.a.PH - Alternative Family Selection Procedures (PH)

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

This waiver will allow Kern to establish a new, alternative to the current Family Self-Sufficiency Program (FSS). The goal of the MTW self-sufficiency program (Program) is to assist TPs in improving their quality of life by increasing their level of self-sufficiency. Though there will be new costs that accompany the establishment and operation of the Program, Kern anticipates that this activity will contribute to greater cost effectiveness in the long-run by focusing financial resources on the area that has the greatest hope for life-long return on investment which is in the lives of the TPs. The Program is specifically focused on self-sufficiency so all related efforts aim to meet that goal. Finally, Kern expects that as households become more self-sufficient, more housing choices will become available.

Kern will ensure that this program does not have a disparate impact on protected classes and will be operated in a manner that is consistent with the requirements of nondiscrimination and equal opportunity authorities, including but not limited to section 504 of the Rehabilitation Act. More specifically, under no circumstances will participants of this programs be required to participate in Self-Sufficiency Programs that are targeted to persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs or priority for supportive services developed under this section will not be conditioned on a diagnosis or specific disability of a member of an applicant or participant household.

Kern will also not require participation for the elderly.

It is mandatory that one person in each eligible household participate in this program. Participation will be defined uniquely between the TP and Kern staff focusing on opportunities for self-sufficiency. There is no work requirement in the program and work is not required to remain in good standing in the program.

Kern will not make program participation mandatory for individuals that do not meet the definition of an eligible household at section 23(n)(3) of the U.S. Housing Act of 1937 (1937 Act) and those exempted from the Community Service Requirement under section 12(c)(2)(A), (B), (D) and (E) of the 1937 Act. If Kern terminates the housing subsidy or tenancy of a household for alleged violation of this program, the household will be entitled to a hearing under the agency's Grievance Procedure (24 C.F.R. part 966, subpart B) or the HCV informal hearing process (24 C.F.R. part 982.555). Kern will not use income increases during participation in the program to change a household's eligibility status for purposes of participation in the program or for the receipt public housing or HCV assistance. Household members will be allowed to participate regardless of their increase in earnings.

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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

<p>Does the MTW activity apply to all public housing developments?</p> <p>The MTW activity applies to specific developments</p>
<p>Which developments participate in the MTW activity?</p> <p>Those with eligible tenants and participants.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The new MTW Self-Sufficiency activity has been created and implemented. The first year was a pilot and so far 155 households have been engaged. This year we plan to enroll an additional 730 households.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>No hardship were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>Will the MTW agency's MTW Self-Sufficiency policy make the program mandatory for anyone?</p> <p>No</p>

<p>11.a.HCV - Alternative Family Selection Procedures (HCV)</p>
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>This wavier will allow Kern to establish a new, alternative to the current Family Self-Sufficiency Program (FSS) and Building Hope. The goal of the MTW self-sufficiency program (Program) is to assist TPs in improving their quality of life by increasing their level of self-sufficiency. Though there will be new costs that accompany the establishment and operation of the Program, Kern anticipates that this activity will contribute to greater cost effectiveness in the long-run by focusing financial resources on the area that has the greatest hope for life-long return on investment which is in the lives of the TPs. The Program is specifically focused on self-sufficiency so all related efforts aim to meet that goal. Finally, Kern expects that as households become more self-sufficient, more housing choices will become available.</p>

Kern will ensure that this program does not have a disparate impact on protected classes and will be operated in a manner that is consistent with the requirements of nondiscrimination and equal opportunity authorities, including but not limited to section 504 of the Rehabilitation Act. More specifically, under no circumstances will participants of this programs be required to participate in Self-Sufficiency Programs that are targeted to persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs or priority for supportive services developed under this section will not be conditioned on a diagnosis or specific disability of a member of an applicant or participant household. Kern will also not require participation for the elderly.

It is mandatory that one person in each eligible household participate in this program. Participation will be defined uniquely between the TP and Kern staff focusing on opportunities for self-sufficiency. There is no work requirement in the program and work is not required to remain in good standing in the program.

Kern will not make program participation mandatory for individuals that do not meet the definition of an eligible household at section 23(n)(3) of the U.S. Housing Act of 1937 (1937 Act) and those exempted from the Community Service Requirement under section 12(c)(2)(A), (B), (D) and (E) of the 1937 Act. If Kern terminates the housing subsidy or tenancy of a household for alleged violation of this program, the household will be entitled to a hearing under the agency's Grievance Procedure (24 C.F.R. part 966, subpart B) or the HCV informal hearing process (24 C.F.R. part 982.555). Kern will not use income increases during participation in the program to change a household's eligibility status for purposes of participation in the program or for the receipt public housing or HCV assistance. Household members will be allowed to participate regardless of their increase in earnings.

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

Cost effectiveness; 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 only to a subset or subsets of assisted households

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

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

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

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

Those tenants and participants who are eligible.

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.

The MTW Self-Sufficiency program, Building Hope, has been designed and initiated. Thus far about 155 households have started the into the program. This year we plan to enroll an additional 730 households.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

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

No

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

No

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

No hardship were requested in the most recent fiscal year.

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

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

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

No

Will the MTW agency's MTW Self-Sufficiency policy make the program mandatory for anyone?

No

14.a. - Waive Initial HQS Inspection Requirement (HCV)

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

This waiver will allow Kern to accept the most recent HQS inspection in place of an initial HQS inspection for Moving On participants who will be leasing the same unit. Kern's goal for this activity is to increase cost effectiveness by eliminating an unnecessary step in this process. Increases in efficiency result in cost effectiveness, freeing up staff time to so that there are additional resources available to focus on cost effectiveness measures, self-sufficiency efforts, and increasing household's housing choices. This activity will also aid Moving On households that are making a clear step toward self-sufficiency. Kern will determine Initial income eligibility in accordance with 24 C.F.R. 5.609 of the 1937 Act and TPs will be allowed to request an interim HQS inspection. Any income calculations that Kern accepts from partner agencies will have been calculated within the past year and screenings for lifetime sex offender status and convictions of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing will continue.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

All tenant-based units and/or properties with project-based vouchers that require an HQS inspection.

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 wavier has been initiated and due to its narrow focus will have increased impact in the years ahead.

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

No

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

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

E.2	<p>Agency-Specific Waiver(s) for which HUD Approval has been Received:</p> <p>Does the MTW agency have any approved Agency-Specific Waivers? No</p>
-----	---

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

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
2021	\$4,018,936	\$4,018,936		2029-09-30
2022	\$4,177,013	\$4,177,013		2030-09-30
2023	\$4,311,935	\$0	\$4,311,935	2031-09-30

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

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

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

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

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

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
------------------------	--------	------	------	------	------	-------	-------------	------------------	-------------------------------	--	---	---	--

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

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

H.	Public Comment
	Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.
	No additional public hearing was held for an Agency-Specific Waiver and/or Safe Harbor waiver

I.	Evaluations.
	No known evaluations.

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

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairperson or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the MTW Supplement to the Annual PHA Plan for the MTW PHA Fiscal Year beginning (07/01/2024), 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.

Solano County Housing Authority

CA131

MTW PHA NAME

MTW PHA NUMBER/HA CODE

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

James Bezek

Executive Director

NAME OF AUTHORIZED OFFICIAL

TITLE



4.9.24

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.*

3.a. & 3.b. - Alt Rent Reexamination Schedule for Households (PH & HCV)

Hardship Policy

Hardship Policy Overview

The Alternative Reexamination Schedule for Households (PH & HCV) policy is intended to benefit assisted households by minimizing the number of recertification examinations. This activity will not only free up Kern human resources to assist residents/participants in other self-sufficiency activities but also reduce the amount of time households spend planning for, and attending, recertification examinations. The agency will allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.

3.a. & 3.b. Alternative Reexam Schedule for Households (PH)

Impact Analysis

- i. **Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution)**
 - a. Enacting the ARS policy will result in administrative costs savings allowing Kern to allocate staff time to self-sufficiency efforts.
 - b. This activity will not change the agency's per household contribution.
- ii. **Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs);**
 - a. Enacting the ARS policy will not result in a change in the housing costs for affected households.
- iii. **Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);**
 - a. Kern expects no impact on our agency's waitlist.
- iv. **Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);**
 - a. Kern expects no impact on the agency's termination rate of households.
- v. **Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**
 - a. Kern expects no impact on the agency's current occupancy level in public housing and utilization rate in the HCV program.
- vi. **Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**
 - a. Cost Effectiveness:
 - i. The ARS activity will impact Kern's cost effectiveness by reducing the re-examinations from every year to triennially. This change will free staff time to pursue other tasks that allow us to provide additional services.
 - b. Self-sufficiency:
 - i. We expect the ARS activity will increase household self-sufficiency by providing physical and psychological space between income and TTP, this incentivizing income generation.

- c. Housing Choice:
 - i. The ARS activity itself may not directly improve household housing choice but in partnership with the stepped rent activity it may do so by the fact that as TTP increases year over year households will come increasingly closer to market rents. As that gap diminishes, the appeal will increase and, hopefully, some prepared households will judge that the move to market housing provides more overall benefits than subsidized housing and make that move.
 - ii. In additional, as TTP approached market rates, those households with vouchers may find new, previously out-of-reach units within reach.

vii. Describe the impact on the agency's ability to meet the MTW statutory requirements;

- a. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
 - i. The ARS activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.
- b. to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency;
 - i. The ARS activity will have no negative impact on our ability to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency and, in fact, we believe it will have a positive impact on this statutory requirement.
- c. to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
 - i. The ARS activity will have no impact on our ability to assist substantially the same total number of eligible low-income families as would have been served absent MTW. We expect few to no terminations. If they happen, our waiting list is so vast that those units will lease up quickly resulting in substantially the same total number of eligible low-income families.
- d. maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
 - i. The ARS activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.

- e. to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
 - i. The ARS activity will have no impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

viii. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity;

- a. Kern does expect that there will be an increased rate of hardship requests and the number granted and denied as a result of the ARS activity.

ix. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)

- a. Kern does not believe the implementation of the ARS activity will have any negative impact on protected classes. Some TP will not be involved in the study, a reality aligned with their protected class. All households in the study who are also covered as a protected class will have the hardship policy available to them, ensuring they are well cared for as they would be had this activity not been adopted.

Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 07/31/2022)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family		Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector		Neighborhood/Census Tract	Date of Inspection (mm/dd/yyyy)
Type of Inspection	Date of Last Inspection (mm/dd/yyyy)		PHA
Initial	Special	Reinspection	

A. General Information			Housing Type (check as appropriate) Single Family Detached Duplex or Two Family Row House or Town House Low Rise: 3, 4 Stories, Including Garden Apartment High Rise; 5 or More Stories Manufactured Home Congregate Cooperative Independent Group Residence Single Room Occupancy Shared Housing Other
Inspected Unit		Year Constructed (yyyy)	
Full Address (including Street, City, County, State, Zip)			
Number of Children in Family Under 6			
Owner			
Name of Owner or Agent Authorized to Lease Unit Inspected		Phone Number	
Address of Owner or Agent			

B. Summary Decision On Unit (To be completed after form has been filled out)				
<input type="checkbox"/>	Pass	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms	
<input type="checkbox"/>	Fail			
<input type="checkbox"/>	Inconclusive			

Inspection Checklist					Final Approval Date (mm/dd/yyyy)
Item No.	1. Living Room	Yes Pass	No Fail	In-Conc.	
1.1	Living Room Present				
1.2	Electricity				
1.3	Electrical Hazards				
1.4	Security				
1.5	Window Condition				
1.6	Ceiling Condition				
1.7	Wall Condition				
1.8	Floor Condition				

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area;
 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Item No.	1. Living Room (Continued)	Yes Pas	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2. Kitchen						
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
3. Bathroom						
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)	
4.1	Room Code * and Room Location	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination						
4.3	Electrical Hazards						
4.4	Security						
4.5	Window Condition						
4.6	Ceiling Condition						
4.7	Wall Condition						
4.8	Floor Condition						
4.9	Lead-Based Paint				Not Applicable		
	Are all painted surfaces free of deteriorated paint?						
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?						
4.10	Smoke Detectors						
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination						
4.3	Electrical Hazards						
4.4	Security						
4.5	Window Condition						
4.6	Ceiling Condition						
4.7	Wall Condition						
4.8	Floor Condition						
4.9	Lead-Based Paint				Not Applicable		
	Are all painted surfaces free of deteriorated paint?						
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?						
4.10	Smoke Detectors						
5. All Secondary Rooms (Rooms not used for living)							
5.1	None Go to Part 6						
5.2	Security						
5.3	Electrical Hazards						
5.4	Other Potentially Hazardous Features in these Rooms						

Item No.	6. Building Exterior	Yes Pass	No Fail	In - Conc.	Comment	Final Approval Date (mm/dd/yyyy)
6.1	Condition of Foundation					
6.2	Condition of Stairs, Rails, and Porches					
6.3	Condition of Roof/Gutters					
6.4	Condition of Exterior Surfaces					
6.5	Condition of Chimney					
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?				Not Applicable	
6.7	Manufactured Home: Tie Downs					
7. Heating and Plumbing						
7.1	Adequacy of Heating Equipment					
7.2	Safety of Heating Equipment					
7.3	Ventilation/Cooling					
7.4	Water Heater					
7.5	Approvable Water Supply					
7.6	Plumbing					
7.7	Sewer Connection					
8. General Health and Safety						
8.1	Access to Unit					
8.2	Fire Exits					
8.3	Evidence of Infestation					
8.4	Garbage and Debris					
8.5	Refuse Disposal					
8.6	Interior Stairs and Common Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead -Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent. Check/list any positive features found in relation to the unit.

D. Questions to ask the Tenant (Optional)

1. Living Room

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

2. Kitchen

- Dishwasher
- Separate freezer
- Garbage disposal
- Eating counter/breakfast nook
- Pantry or abundant shelving or cabinets
- Double oven/self cleaning oven, microwave
- Double sink
- High quality cabinets
- Abundant counter-top space
- Modern appliance(s)
- Exceptional size relative to needs of family
- Other: (Specify)

3. Other Rooms Used for Living

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

4. Bath

- Special feature shower head
- Built-in heat lamp
- Large mirrors
- Glass door on shower/tub
- Separate dressing room
- Double sink or special lavatory
- Exceptional size relative to needs of family
- Other: (Specify)

5. Overall Characteristics

- Storm windows and doors
- Other forms of weatherization (e.g., insulation, weather stripping) Screen doors or windows
- Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- Garage or parking facilities
- Driveway
- Large yard
- Good maintenance of building exterior
- Other: (Specify)

6. Disabled Accessibility

Unit is accessible to a particular disability. Yes No
Disability

1. Does the owner make repairs when asked? Yes ~~XXXXXXXXXX~~ [~~AAA~~
2. How many people live there? _____
3. How much money do you pay to the owner/agent for rent? \$ _____
4. Do you pay for anything else? (specify) _____
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave ___
6. Is there anything else you want to tell us? (specify) Yes ~~XXXXXXXXXX~~ [

E. Inspection Summary/Comments (Optional)

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy) Address of Inspected Unit
------------------	-----------	---

Type of Inspection	Initial	Special	Reinspection
--------------------	---------	---------	--------------

Item Number Reason for "Fail" or "Pass with Comments" Rating

Continued on additional page Yes No

11.a. & 11.b. MTW Self-Sufficiency Program Activities

Hardship Policy

Hardship Policy Overview

The MTW Self-Sufficiency Program Activities policy is intended to benefit assisted households by helping improve their quality of life by increasing their level of self-sufficiency.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.

11.a. & 11.b. – MTW Self-Sufficiency Program Activities

Impact Analysis

Impact Analysis

- a. If the agency requires MTW Self-Sufficiency Program participation as a condition for housing subsidy, an impact analysis must be developed and adopted in accordance with MTW guidance prior to the implementation of the activity.

- i. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution)**

1. This activity is expected to cost up to \$100,000 per year in additional staff costs due to the increase in services to MTW Self-Sufficiency program participants and up to \$350,000 per year for incentives for participants. There are sufficient funds in the Public Housing & Housing Choice Voucher programs to cover the increased costs, particularly when considering the administrative efficiencies created through other MTW initiatives.

- ii. Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs);**

1. For households assigned to the control group or Old Policy Group (OPG), participation in this activity should not impact household affordability because rent is tied to income and as their income increases, the household's share of rent will increase proportionately.
 2. For households in the SR group, or New Policy Group (NPG), participation in this activity will not impact how much a household will pay toward their housing costs. As households pursue their self-directed goals, one possible outcome could be an increase in household income. For the NPG, an increase in household income will not affect how much a household will pay toward their housing costs.

- iii. Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);**

1. It is possible that Kern's waitlist will be affected by this activity. The alternative self-sufficiency program will be

mandatory for non-exempt households. Required participation will be new for OPG and NPG households. It is possible that some of those households will not be interested in, and willing to participate in the activity. If a household is not willing and interested in participating in this activity, that choice may result in termination from assistance. If the termination process is completed, new households will replace them off of the waiting list. We do not expect many households will make this choice but it is a possibility.

iv. Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);

1. It is possible that Kern's termination rate of households will be affected by this activity. The alternative self-sufficiency program will be mandatory for non-exempt households. It is possible that some of those households will not be interested in, and willing to participate in the activity. If a household is not willing to, and interested in participating in this activity, that choice may result in termination from assistance. We do not expect many households will make the choice leading to termination but it is a possibility.

v. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program

1. Because the demand for affordable housing for low and very low-income families in Kern County is so great, Kern does not anticipate any impact on our current occupancy level in public housing or utilization rate in the HCV program.

vi. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;

1. Cost Effectiveness:
 - a. Implementation of the MTW Self Sufficiency program will result in increased administrative costs, to be offset by increased tenant/participant rent due to increased income

and reduction in administrative costs in other areas.

2. Self-Sufficiency:

a. The primary focus of the activity is self-sufficiency and we anticipate that the result of this activity will be notable increases in household self-sufficiency for many households. Kern has made this determination based on the facts that:

- i. We will be working with many more households than we are now so we anticipate an increase based, at minimum, upon the number of households who will be participating.
- ii. We will allocate more staff time and resources to this activity than we are currently providing resulting in a more specific support for households in helping them design and implement a set of actions leading toward greater self-sufficiency.
- iii. We will create a more robust program offering additional avenues of support for households which will result in greater engagement and greater efficacy.

3. Housing Choice:

a. Kern anticipates that, due to the growth in self-sufficiency detailed in the previous point, one result that many households will experience is increased household income. For the OPG, as household income increases, households have reason to more carefully weigh the benefits of remaining in Kern housing as opposed to shifting to market-rate housing. For the NPG, as they benefit from the advantages that the stepped rent offers to the increase in household income, they too will have reason to more carefully weight the benefits of remaining in Kern housing as opposed to shifting to market-rate housing.

vii. Describe the impact on the agency's ability to meet the MTW statutory requirements;

1. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
 - a. This activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.

2. to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency;
 - a. This activity will have a positive impact on our ability to establish a reasonable rent policy that is designed to encourage employment and self-sufficiency.

3. to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
 - a. This activity will have no impact on our ability to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW as was described above, we expect little to no terminations and even if they happen, our waiting list is so vast that those units will lease up quickly resulting in substantially the same total number of eligible low-income families.

4. maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
 - a. This activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.

5. to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
 - a. This activity will have no impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

- viii. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity;
 - 1. Kern believes that this activity may result in a small increase in the rate of hardship requests and the number granted and denied. Because this activity will be mandatory for eligible households, Kern is prepared for some households to seek a hardship waiver.

- ix. Across the other factors above, describe the impact on protected classes (and any associated disparate impact).
 - 1. We believe there will be a net positive impact on protected classes and no disparate impact as the additional services will benefit households and offset the negative impact and those households that refuse to participate.

14. Income Verification – Increase Assets Threshold (LIPH and 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.

Under Section VI. Of the Moving to Work (MTW) Operations Notice, MTW agencies are allowed to request Agency-Specific Waivers for activities that are not included in “Appendix I – MTW Waivers”. Kern is proposing to implement the following activity in both the Public Housing and Housing Choice Voucher (HCV) programs pursuant HUD’s granting of an Agency-Specific Waiver.

This activity will waive provisions of HUD Occupancy Handbook, Chapter 5: Determining Income & Calculating Rent which currently set the minimum "cash value" of a household's asset or assets to be factored into their income calculation at \$5,000 and increase that to \$25,000 for all Public Housing residents and HCV program participants (including both tenant-based and project-based programs). Kern intends to implement this activity to streamline program administration and reduce administrative burdens to benefit both TP and the agency. While Kern intends to apply this waiver to all Public Housing and HCV programs, it will also support implementation of the Cohort #2 alternative rent policy, in Kern’s case, stepped rent.

Relationship to MTW Statutory Objectives

This activity supports the MTW objective of cost effectiveness by simplifying the verification of income process.

Cost Implications

This is a cost/revenue neutral activity. We hope it frees up the time of Kern staff to focus on additional, TP-focused activities.

Implementation timeline

Kern plans to implement this upon approval.

Populations Groups and Household Types Impacted by Activity

This activity will apply to all Public Housing residents and HCV program participants (including tenant-based and project-based). It will apply to all assisted households, both new admissions and currently assisted, and all family types.

Hardship Policy

This new activity will simplify the verification process. It is not projected to create any hardships for residents. LIPH residents and HCV program participants may request a grievance/informal hearing to dispute the calculations used to determine income and rent. Kern will follow its applicable policies on grievances/hearings.

Impact Analysis

A. Per p.10 of the VI. Moving to Work Operations Notice, 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 (if the activity poses a potential risk to the continued tenancy of households).

a. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution);

i. This activity will have no impact on the agency's finances. It will not demand Kern to incur any additional costs and it will not change Kern's per household contribution.

b. Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs);

i. This activity will make housing costs more affordable for those households to whom this waiver applies by raising the threshold for including imputed income on assets.

c. Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);

i. This activity will have no impact on Kern's waitlists (e.g., there will be no change in the amount of time households remain on the waitlist).

d. Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);

i. This activity will have no impact on the agency's termination rate of households (e.g., it will have no change in the rate at which households non-voluntarily lose assistance from the agency).

e. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program;

i. This activity will have no impact on the agency's current occupancy level in public housing and utilization rate in the HCV program.

f. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;

i. Cost Effectiveness:

1. This activity will help Kern staff process applications more quickly than were this activity not to be implemented, hence minimizing staffing costs.

ii. Self-Sufficiency:

1. This activity will not affect household self-sufficiency.

iii. Housing Choice:

1. This activity will not affect housing choice.

g. Describe the impact on the agency's ability to meet the MTW statutory requirements;

i. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;

1. This activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.

ii. To establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;

1. This activity will not have an effect on Kern's rent reasonableness policy.

iii. To continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;

1. This activity will have no impact on our ability to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW as was described above.

iv. Maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and

1. This activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.

v. To ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

1. This activity will have no impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

h. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity;

- i. This activity will have no impact on the rate of hardship requests and the number granted and denied.

i. Across the other factors above, describe the impact on protected classes (and any associated disparate impact).

- i. This activity will have no impact on protected classes (or any associated disparate impact).

1.c. – Stepped Rent (PH)

Hardship Policy

Hardship Policy Overview

The Stepped Rent policy (SR) is intended to benefit assisted households by allowing them to increase their income without a direct increase in their total tenant payment (TTP). The TTP will instead increase each year by a modest amount unrelated to the household's income. However, some households may need special accommodations to avoid negative consequences of the stepped rent. A special accommodation can be requested via a hardship exemption.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.

1.d. Stepped Rent – Impact Analysis

Impact Analysis

- i. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution)**
 - a. Enacting the stepped rent policy will entail the cost of training staff and the administrative cost of additional reporting to HUD. There will be approximately 10 staff members involved in this training from accounting, housing management, IT, and development. The exact cost is unknown at this time but there are sufficient PH and HCV funds at this time to cover the additional cost.
 - b. Kern does not anticipate that there will be a material change to the operating subsidy and HAP as it is not anticipated that many households will report a loss of income.
 - c. For those tenants/participants (TP) in the New Policy Group (NPG) the change in per household contribution will be the annual stepped rent increase of 3% of FMR according to bedroom size.

- ii. Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs);**
 - a. The stepped rent activity will affect the TTP for households who have been selected to participate in the NPG because they will experience an annual TTP increase of 3% of FMR according to bedroom size. Actual affordability for the NPG households may decrease if the household earns no additional income, or minimal additional income, during the course of this program and their rent burden is less than 40% of their gross income to trigger eligibility for the hardship policy.
 - b. If the household is able to increase household income by at least the amount of the annual increase, then the household will pay less of their income toward housing than under the current rent structure. Any gains realized by households by not having their income de-coupled from their rent portion can be used for savings which can be used to offset future financial difficulties. This mirrors the annual increases typical of the private rental market but at a lower cost and with protections in place for change of circumstance.

- iii. Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);**

- a. Kern expects no impact on our agency's waitlist.
 - b. We acknowledge that there may be a very small number of households who are disinterested in the stepped rent activity that they decide to leave the program completely.
 - c. Because we believe these cases will be rare, if at all, we have determined that the impact on our agency's waiting list will be minimal.

- iv. **Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);**
 - a. Per Kern's comments in #3 above, Kern anticipates that the impact on the termination rate of households will be minimal to nothing.

- v. **Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**
 - a. Because the demand for affordable housing for low and very low-income families is so great in Kern County, Kern does not anticipate any impact on our current occupancy level in public housing or utilization rate in the HCV program.

- vi. **Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**
 - a. Cost Effectiveness:
 - i. The stepped rent activity will impact Kern's cost effectiveness by reducing the re-examinations from every year to triennially. This change will free staff time to pursue other tasks that allow us to provide additional services.
 - b. Self-sufficiency:
 - i. We expect the stepped rent activity will increase household self-sufficiency by incentivizing households to increase their income. This is our hope with this activity and the study will determine if this expectation proves to be accurate.
 - c. Housing Choice:
 - i. The stepped rent activity may improve household housing choice by the fact that as TTP increases year over year households will come increasingly closer to market rents. As that gap diminishes, the appeal will increase and, hopefully, some prepared households will judge that the move to market housing provides more overall benefits than subsidized housing and make that move.
 - ii. In addition, as TTP approached market rates, those households with vouchers may find new, previously out-of-reach units within reach.

- vii. Describe the impact on the agency's ability to meet the MTW statutory requirements;**
- a. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
 - i. The stepped rent activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.
 - b. to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency;
 - i. The stepped rent activity will have no negative impact on our ability to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency and, in fact, we believe it will have a positive impact on this statutory requirement.
 - c. to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
 - i. This activity will have no impact on our ability to assist substantially the same total number of eligible low-income families as would have been served absent MTW. We expect little to no terminations. If they happen, our waiting list is so vast that those units will lease up quickly resulting in substantially the same total number of eligible low-income families.
 - d. maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
 - i. The stepped rent activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.
 - e. to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
 - i. The stepped rent activity will have no impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
- viii. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity;**
- a. Kern does expect that there will be an increased rate of hardship requests and the number granted and denied as a result of the stepped rent activity. As with any new program that alters a

household's TTP on an annual basis some number of households will be negatively affected and will, therefore, apply for a hardship. Kern is well aware of this reality. We have the staff to address an increase in hardship requests, a solid hardship policy to guide the process and the size to absorb the changes to our cash flow due to lowered TTPs related to hardship policy approvals.

ix. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)

- a. Kern does not believe the implementation of the stepped rent activity will have any negative impact on protected classes. Some TP will not be involved in the study, a reality aligned with their protected class. All households in the study who are also covered as a protected class will have the hardship policy available to them, ensuring they are well cared for as they would be had this activity not been adopted.

**1.c.- Stepped Rent
Schedule in Table Form**

SR schedule in a table form.

	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Fair Market Rent	\$960	\$967	\$1,258	\$1,773	\$2,135	\$2,455
Kern Rent Increase – 3%	\$29	\$29	\$38	\$53	\$64	\$74

COMMENTS RECEIVED FROM THE RESIDENT ADVISORY BOARD

There were no comments received from Resident Advisory Board (RAB) members regarding the draft PHA Annual Plan, nor MTW Supplement to the Annual Plan for fiscal year beginning July 1, 2024.

**THE HOUSING AUTHORITY OF THE COUNTY OF KERN (CA008),
LOCATED AT: 601 -24TH STREET, BAKERSFIELD, CALIFORNIA
93301, HEREBY CERTIFIES THAT THERE WERE NO COMMENTS
RECEIVED FROM THE RESIDENT ADVISORY BOARD REGARDING
THE AGENCY'S ANNUAL PLAN 2024/25 TO HUD ON 2/22/2024.**

CHALLENGED ELEMENTS

**THERE WERE NO CHALLENGED ELEMENTS FOR THE FY 2024/2025
ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE COUNTY OF
KERN**



**STEPHEN M. PELZ
EXECUTIVE DIRECTOR**

**03/13/2024
DATE**

WALL, WALL & PEAKE
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
1920 20th STREET
BAKERSFIELD, CA 93301

JOHN S. WALL*
ALAN J. PEAKE*

TELEPHONE (661) 327-8461

March 7, 2024

****E-MAIL AND U.S. MAIL****

Stephen M. Pelz, Executive Director
Housing Authority of the County of Kern
601 24TH Street
Bakersfield, CA 93301

RE: Draft Annual Plan for 2024-25
Capital Fund 5-Year Action Plan
Moving to Work Supplement to the Annual Plan

Dear Stephen:

I have reviewed the Housing Authority of the County of Kern's Draft Annual Plan for 2024-25, the Capital Fund 5-Year Action Plan, and the Moving to Work Supplement to the Annual Plan. They all appear to be in accordance with HUD's requirements.

Should you have any questions, please do not hesitate to give me a call.

Very truly yours,


ALAN J. PEAKE

AJP:dw

1.c. – Stepped Rent (PH)

Hardship Policy

Hardship Policy Overview

The Stepped Rent policy (SR) is intended to benefit assisted households by allowing them to increase their income without a direct increase in their total tenant payment (TTP). The TTP will instead increase each year by a modest amount unrelated to the household's income. However, some households may need special accommodations to avoid negative consequences of the stepped rent. A special accommodation can be requested via a hardship exemption.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.

1.d. Stepped Rent – Impact Analysis

Impact Analysis

- i. **Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution)**
 - a. Enacting the stepped rent policy will entail the cost of training staff and the administrative cost of additional reporting to HUD. There will be approximately 10 staff members involved in this training from accounting, housing management, IT, and development. The exact cost is unknown at this time but there are sufficient PH and HCV funds at this time to cover the additional cost.
 - b. Kern does not anticipate that there will be a material change to the operating subsidy and HAP as it is not anticipated that many households will report a loss of income.
 - c. For those tenants/participants (TP) in the New Policy Group (NPG) the change in per household contribution will be the annual stepped rent increase of 3% of FMR according to bedroom size.

- ii. **Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs);**
 - a. The stepped rent activity will affect the TTP for households who have been selected to participate in the NPG because they will experience an annual TTP increase of 3% of FMR according to bedroom size. Actual affordability for the NPG households may decrease if the household earns no additional income, or minimal additional income, during the course of this program and their rent burden is less than 40% of their gross income to trigger eligibility for the hardship policy.
 - b. If the household is able to increase household income by at least the amount of the annual increase, then the household will pay less of their income toward housing than under the current rent structure. Any gains realized by households by not having their income de-coupled from their rent portion can be used for savings which can be used to offset future financial difficulties. This mirrors the annual increases typical of the private rental market but at a lower cost and with protections in place for change of circumstance.

- iii. **Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);**

- a. Kern expects no impact on our agency's waitlist.
 - b. We acknowledge that there may be a very small number of households who are disinterested in the stepped rent activity that they decide to leave the program completely.
 - c. Because we believe these cases will be rare, if at all, we have determined that the impact on our agency's waiting list will be minimal.
- iv. Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);**
- a. Per Kern's comments in #3 above, Kern anticipates that the impact on the termination rate of households will be minimal to nothing.
- v. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**
- a. Because the demand for affordable housing for low and very low-income families is so great in Kern County, Kern does not anticipate any impact on our current occupancy level in public housing or utilization rate in the HCV program.
- vi. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**
- a. Cost Effectiveness:
 - i. The stepped rent activity will impact Kern's cost effectiveness by reducing the re-examinations from every year to triennially. This change will free staff time to pursue other tasks that allow us to provide additional services.
 - b. Self-sufficiency:
 - i. We expect the stepped rent activity will increase household self-sufficiency by incentivizing households to increase their income. This is our hope with this activity and the study will determine if this expectation proves to be accurate.
 - c. Housing Choice:
 - i. The stepped rent activity may improve household housing choice by the fact that as TTP increases year over year households will come increasingly closer to market rents. As that gap diminishes, the appeal will increase and, hopefully, some prepared households will judge that the move to market housing provides more overall benefits than subsidized housing and make that move.
 - ii. In addition, as TTP approached market rates, those households with vouchers may find new, previously out-of-reach units within reach.

- vii. Describe the impact on the agency's ability to meet the MTW statutory requirements;**
- a. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
 - i. The stepped rent activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.
 - b. to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency;
 - i. The stepped rent activity will have no negative impact on our ability to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency and, in fact, we believe it will have a positive impact on this statutory requirement.
 - c. to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
 - i. This activity will have no impact on our ability to assist substantially the same total number of eligible low-income families as would have been served absent MTW. We expect little to no terminations. If they happen, our waiting list is so vast that those units will lease up quickly resulting in substantially the same total number of eligible low-income families.
 - d. maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
 - i. The stepped rent activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.
 - e. to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
 - i. The stepped rent activity will have no impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
- viii. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity;**
- a. Kern does expect that there will be an increased rate of hardship requests and the number granted and denied as a result of the stepped rent activity. As with any new program that alters a

household's TTP on an annual basis some number of households will be negatively affected and will, therefore, apply for a hardship. Kern is well aware of this reality. We have the staff to address an increase in hardship requests, a solid hardship policy to guide the process and the size to absorb the changes to our cash flow due to lowered TTPs related to hardship policy approvals.

ix. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)

- a. Kern does not believe the implementation of the stepped rent activity will have any negative impact on protected classes. Some TP will not be involved in the study, a reality aligned with their protected class. All households in the study who are also covered as a protected class will have the hardship policy available to them, ensuring they are well cared for as they would be had this activity not been adopted.

2.b. – Payment Standards - Fair Market Rents (HCV) Hardship Policy

Hardship Policy Overview

The Payment Standards – Fair Market Rents (HCV) policy is intended to benefit assisted households by making new housing choices available in areas where more amenities are available than there are where the household currently resides.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.

2.b. Payment Standards – Fair Market Rents (HCV)

Impact Analysis

i. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per household contribution)

1. HAP expenses will increase, but Kern will manage the increase through increased administrative efficiency, growth of HAP funding over time, a proposed increase in the minimum rent to \$100, and possibly, at some time in the future, an increase in the average tenant share of rent from 30% to 35%.
 - a. Kern's 0BR voucher value will increase from the current \$771 per month to approximately \$925 (120%)
 - b. Kern's 1BR voucher value will increase from the current \$849 per month to approximately \$1,019 (120%)
 - c. Kern's 2BR voucher value will increase from the current \$1,023 per month to approximately \$1,228 (120%)
 - d. Kern's 3BR voucher value will increase from the current \$1,453 per month to approximately \$1,744 (120%)
 - e. Kern's 4BR voucher value will increase from the current \$1,751 per month to approximately \$2,101 (120%)
 - f. Kern's 5BR voucher value will increase from the current \$2,014 per month to approximately \$2,417 (120%)
2. This activity will not change Kern's per-household contribution but the agency expects that this modification will affect overall agency income due to the availability of new, viable units. Currently 64% of the households to whom Kern issues a voucher are successful in leasing up units. Of those that are successful, 20% take more than 150 days to find a unit. Kern's first-step goal is to grow to an 80% success rate taking TPs no longer than 120 days to find a unit. Kern believes that the requested adjustment to the payment standards will help us achieve these goals.

ii. Describe the activity's impact on affordability of housing costs for affected households (e.g., any change in how much affected households will pay towards their housing costs)

1. Kern's initial analysis is that the impact on affordability of housing costs for affected households will be minimal, if non-existent. This activity is not changing the TP's portion of their rent but it may result in a change to their utility costs. The actual affect, though, is very difficult to predict. It is Kern's hope that units made available by this activity will be more energy efficient and may reduce utility

costs. It is also possible the units may be larger, creating an increase in energy usage.

- iii. **Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time households remain on the waitlist);**
 1. Change should help shorten wait list and wait time for all units. We anticipate the average time searching for units to decrease by 15%.
- iv. **Describe the impact on the agency's termination rate of households (e.g., any change in the rate at which households non-voluntarily lose assistance from the agency);**
 1. No impact expected.
- v. **Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**
 1. Expect to increase use of vouchers, especially for hard to serve households, due to the increased number of units available with the higher payment standard.
- vi. **Describe the impact on meeting the MTW statutory goals of cost effectiveness, self- sufficiency, and/or housing choice;**
 1. Cost Effectiveness: This activity may impact cost effectiveness by reducing the staff time committed to helping participants find new units and granting extensions for vouchers nearing expiration.
 2. Self-Sufficiency: This activity may impact self-sufficiency by making new housing choices available to households in areas where more amenities are available then where the household currently resides. If those resources are availed, increased self-sufficiency may result.
 3. Housing Choice: This activity will directly impact housing choice by making more units available to voucher holders.
- vii. **Describe the impact on the agency's ability to meet the MTW statutory requirements;**
 1. To ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
 - i. The stepped rent activity will have no negative impact on our ability to ensure that at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act.
 2. to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency;
 - ii. This activity will have no negative impact on our ability to establish a reasonable rent policy that is designed to encourage employment and self- sufficiency and, in fact,

we believe it will have a positive impact on this statutory requirement.

3. to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
 - iii. We expect increased payment standards will help increase the number of households served to the extent funding is available.

4. maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
 - iv. This activity will have no impact on our ability to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program.

5. to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.
 - v. Kern believes that this activity will have a positive impact on our ability to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary as higher quality units will become available due to the higher payment standards.

viii. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity; and

1. No impact expected

ix. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)

1. None expected

3.a. & 3.b. - Alt Rent Reexamination Schedule for Households (PH & HCV)

Hardship Policy

Hardship Policy Overview

The Alternative Reexamination Schedule for Households (PH & HCV) policy is intended to benefit assisted households by minimizing the number of recertification examinations. This activity will not only free up Kern human resources to assist residents/participants in other self-sufficiency activities but also reduce the amount of time households spend planning for, and attending, recertification examinations. The agency will allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more.

Definition of Hardship Types

No hardship: Exists when Kern determines that the hardship exemption information presented in the household's Request for a Hardship Exemption Form (Form) does not present a clear, verifiable, and qualifying hardship as defined in the Criteria for Hardship Exemption (Criteria) section below. As of the day Kern determines no hardship exists, the MTW stepped rent activities will be reinstated and back payment of minimum rent and other costs or fees incurred by Kern during the time between the Form's acceptance and Kern's determination will be required. The household will be notified of the "no hardship" finding and of any related costs.

Hardship: Exists when Kern determines that the information presented in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below.

Automatic Hardship: Will only be granted to households already receiving assistance and only when Kern conducts an income examination at the time of enrollment. At any time, other than the income examination that takes place at enrollment, a hardship exemption (Exemption) must be requested in writing by the household. At the time of enrollment, the PHA will compare the household's current adjusted income (CAI) with their retrospective adjusted income (RAI). If the household's CAI is lower than their RAI, the PHA will determine if the difference is enough to qualify for an automatic Exemption. If the Exemption is granted, the Total Tenant Payment (TTP) would be set equal to 40% of the household's CAI or the minimum rent, whichever is greater.

Standard hardship: Exists when Kern determines that the information in the household's Form presents a clear, verifiable, qualifying hardship as defined in the Criteria section below. In this situation, the household will have a Total Tenant Payment (TTP) based on their CAI. The TTP would be set at 40% of the household's CAI or the minimum rent, whichever is greater.

Unless the household requests another Exemption, six months after the approval of an Exemption, the household's TTP will return to the stepped rent activity and

their rent will be set according to the previously determined rent schedule. This means that if the rent “steps up” while the household is on a hardship, the TTP following the end of the hardship will include the step increase.

Criteria for Determining if a household will, or will not, be granted a Hardship Exemption.

1. Criteria #1: Has the household experienced a decrease in income due to a change(s) in circumstance(s), including, but not limited to, loss or reduction of employment, loss or reduction in other qualified income sources, a death in the family, etc. such that the re-examination of the CAI proves that the household’s TTP exceeds 40% of their CAI?

2. Criteria #2: Has the household experienced an increase in expenses due to a change(s) in circumstance(s), including, but not limited to, medical care, childcare, transportation, education, or similar, such that the re-examination of the current income proves that the household’s TTP exceeds 40% of their CAI?

3. Criteria #3: Some combination of Criteria #1 and Criteria #2 which proves that the household’s TTP exceeds 40% of their CAI.

4. In addition to the three Criteria listed above, households may be awarded an exemption based on additional unique, unforeseeable circumstances that places a household in jeopardy of losing their eligibility.

5. If a household requests an Exemption immediately following an existing Exemption, in addition to meeting the Criteria listed above, the household must demonstrate that they have abided by all agreed upon obligations aimed at alleviating the condition(s) that led to the Exemption, i.e., applying for unemployment insurance or SSI, etc.

Request for, and Submission of, a Hardship Exemption Kern recognizes that a household may find that a situation(s) has made it a challenge for them to make their TTP. In that case, and if the household desires to request an Exemption, the household must request an Exemption by submitting a completed Form, including all supporting documentation. The only exception to this guideline is the Automatic Hardship. Forms can be found on Kern’s website, in the Moving to Work section, at PH management offices, or at the Central Office (CO) located at 601 24th Street, Bakersfield, CA 93301. The completed Form and supporting documentation can be mailed/delivered to Kern’s CO at the aforementioned address or delivered to Kern’s CO.

Hardship Exemption Request Review Process Upon receipt of a complete Form, Kern will suspend the stepped rent activity beginning the month following the household’s hardship request and the household will pay a TTP set equal to the higher of the minimum rent or 40% of CAI. This TTP will continue until Kern determines whether or not a hardship exists. Determination will be made as soon as possible and in most cases within fourteen (14) working days of receipt of all required documentation.

If the request does not meet the hardship criteria, the stepped rent will resume and Kern may collect any TTP that was suspended upon the submission of the Form and other fees, if applicable, through a reasonable repayment agreement.

If the request does meet the hardship criteria, Kern will grant an Exemption.

Kern will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. The results of the review process will be made available to the household.

Notification to Households of Hardship Exemption Kern will notify those participant households subject to the stepped rent activity of their right to request an Exemption as part of the initial intake process and triennial recertification process. Kern's notification will advise the household that Exemption determinations are subject to its grievance procedures.

Appeals. Households that disagree with the Exemption review decision may appeal the determination through Kern's existing grievance process.

Additional Hardship Guidelines:

There is no limit to the number of Exemptions a household may receive.

If a household is approved for an Exemption, and subsequently experiences another adverse event while still in Exemption status, they may request an additional Exemption that might further reduce their TTP.

If a household is approved for an Exemption, they are not required to report subsequent income increases during the period of their approved Exemption. Once Kern approves an Exemption, the Exemption will not end early.

When an Exemption expires, the household will return to paying the stepped rent, including any annual stepped rent TTP increases that were scheduled to take effect during the period of the Exemption.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent policy and return to the traditional income-based rent policy.

Kern will preserve all records of Exemption requests, determinations, and appeals for the duration of its MTW participation. Kern will maintain records to ensure traceability of activities and comply with all applicable regulations. When compliant and reasonable, documentation will be maintained in electronic format. Records will be available for public review and inspection at the agency's principal office during normal business hours and supplied to the Department of Housing and Urban Development (HUD) if requested.