

**PHA Name :** Knoxville'S Community Development Corp.

**PHA Code :** TN003

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

**PHA Program Type:** Combined

**MTW Cohort Number:** Landlord Incentives

**MTW Supplement Submission Type:** Annual Submission

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

Knoxville's Community Development Corporation (KCDC) is the public housing authority for the City of Knoxville and Knox County, managing and renting more than 3,600 units across more than twenty properties. KCDC's Section 8 Rental Assistance Department also manages the application process and distribution of over 4,000 vouchers across multiple programs (HCV, PBV, FUP, FYI, VASH, Mainstream, EHV, TPV, AHAP, NED, MOD-REHAB). Knoxville and Knox County have not been immune to the housing shortage that is apparent on a national scale. We recognize the powerful opportunity to assuage the impact of the housing shortage in our own backyard by becoming part of the Moving to Work Demonstration Program Cohort #4 – Landlord Incentives (MTW).

Housing choice is a critical key to the success of voucher holders. Having more choice of housing alongside more choice of location, zip code, school zone, areas with higher concentrations of grocery stores, community events, and the like is what makes a community strong or weak. By our participating landlords being able to choose where they may want to be through opening up the Project Based Voucher program allows for our voucher holders to have more options in which communities they want their families to live. This also allows for KCDC to maximize its use of financing tools to increase the number of voucher units available in the market.

Each of the MTW activities allows for a more cost-effective approach to the program. Having more flexibility within the regular payment standard areas will allow for the majority of our landlords to stay on the program as the local market sees more competition from private renters. This is especially true with the four areas in which KCDC already has SAFMR payment standards. The four SAFMR payment standards are more closely located within Knoxville's more developing areas. The adoption of an alternative inspection schedule also allows for already occupied units to not have to be inspected on our bi-annual basis. When KCDC changed to this bi-annual schedule, landlords and voucher holders alike were ecstatic to accept this change. The reduced intrusion of an external entity into the homes of vouchers holders and the cost savings from landlords were a big selling point to new program participants. Moving to a tri-annual inspection schedule will not be a difficult maneuver, given our current schedule. From a cost- effectiveness standpoint, this further increases the amount of money which will not have to be used for already occupied units on a two-year basis. These MTW activities directly correlate to the self-sufficiency of our program participants.

Housing stock within MTW participation will allow for KCDC to have a deeper level of engagement with its landlords and developers, as we continue to examine payment standards, exception payment standards, and the change in HQS inspection schedule. In Knoxville and Knox County, we have earned a commitment from the community, stakeholders, developers, and service groups toward PBV settings with supportive services. KCDC is quickly approaching its maximum amount allowed without MTW participation. These PBVs mean we would be able to engage in participants who are currently in need, but in the supportive service setting alongside a Housing First approach, we are able to see housing retention rivaling National Association of Social Worker (NASW) standards for success.

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

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

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

**C. MTW Activities Plan that Knoxville'S Community Development Corp. Plans to Implement in the Submission Year or Is Currently Implementing**

<b>2.a. - Payment Standards- Small Area Fair Market Rents (HCV)</b>
<p><b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</b></p> <p>These MTW activities allow for more flexibility for both payment standards and exception payment standards. The ability to have a larger range to go beyond FMR or SAFMR, provides us the opportunity to evaluate which area or zip code we can go beyond the regular 110%. This makes us a more viable partner with private landlords who are ready to become participating landlords within the HCV program. This competition also opens up our ability to add more PBV units, which Knoxville is quite open to doing.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Housing choice</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p> <p>Increased expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p> <p>New admissions and currently assisted households</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p> <p>The MTW activity applies to all family types</p>
<p><b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p> <p>The MTW activity applies to all tenant-based units</p>
<p><b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b></p> <p>N/A</p>
<p><b>Does this MTW activity require a hardship policy?</b></p> <p>Yes</p> <p>This document is attached.</p>
<p><b>Does the hardship policy apply to more than this MTW activity?</b></p> <p>Yes</p>
<p><b>Please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b></p>

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

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

No

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

No hardship were requested in the most recent fiscal year.

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

No

**Does the MTW activity require an impact analysis?**

Yes

This document is attached.

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

No

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

Current SAFMR exception payment standards are designated for zip codes 37919, 37920, 37921, and 37922.

37919 ranges from \$990 for a studio to \$2,574 for a six bedroom.

37920 ranges from \$780 for a studio to \$2,028 for a six bedroom.

37921 ranges from \$960 for a studio to \$2,496 for a six bedroom.

37922 ranges from \$1290 for a studio to \$3,354 for a six bedroom.

**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**

KCDC will adopt a payment standard that is between 80% to 120% of the Fair Market Rents (FMR). Payment standards will be reviewed on an annual basis when the new FMR is published, and at other times as determined necessary. The ability to set payment standards within this increased range will allow for payment standards to be more reflective of local markets and therefore increase the number of housing units that HCV participants qualify to rent.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This is the first year of this MTW activity.

**Does this MTW activity require a hardship policy?**

Provided Already

**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:**

CURRENT FAIR MARKET RENTS

BY Number of Bedrooms:

0: \$887

1: 952

2: 1156

3: 1507

4: 1773

5\*: 2038

6+\*: 2304

•5 Bedroom Fair Market Rent = 115% of 4-bedroom Fair Market Rent

•6 Bedroom Fair Market Rent = 130% of 4-bedroom Fair Market Rent

•Manufactured Home Space Rental = 40% of 2-Bedroom Fair Market Rent = \$462.00

#### **5.d. - Alternative Inspection Schedule (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 adoption of the alternative HQS inspection schedule also primes our pool of existing landlords to continue engagement, as well as advocating for the incentives the program offers. Knoxville is primed for this level of engagement, as our landlords receive extra incentives for housing persons who hold an Emergency Housing Voucher. The cost savings to us is substantial as well, as KCDC would be able to adopt a 36-month schedule for HQS inspections. The tri-annual inspection schedule is another incentive to bring on new and keep existing landlords to our programs. This also does not mean it is a major change to the program already initiated, so this waiver does not create any unforeseen barriers. It does create a major cost savings for the HQS payment schedule, while concomitantly creating a deeper conversation to the perquisites offered to participating landlords.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

This is the first year for this MTW activity.

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

No

**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**

There is a large community need for long term affordable housing. HCV units experience annual rent increases which result in increased tenant rental portions. By project-basing additional vouchers, long-term and affordable housing is secured for families. This activity would increase the cap for which the KCDC could award Project-Based Voucher contracts. KCDC has very few project-based units left to authorize and there is an increased need within the housing inventory.

**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.**

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This is the first year of this MTW activity.

**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.b. - Increase PBV Project 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**

The current PBV cap under which KCDC operates is 25%. KCDC will implement this activity to allow a project cap of up to 100% of the units at a project. This will allow for additional housing choice for all Section 8 eligible households. By

increasing the project-based voucher cap, additional units within new developments in highly desirable zip codes could be constructed and opened for low-income families. Increasing the cap would also allow for the development of specialty complexes with supportive services, such as FYI and VASH focused housing.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This is the first year for this MTW activity.

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

No

**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**

KCDC will be allowed to award project-based voucher units to properties owned by KCDC, or a single-asset entity of KCDC without engaging in a competitive selection process. KCDC must currently engage in an administratively burdensome process to project-based units that begins with publishing a Request for Proposals (RFP) to solicit applications for any interested property owner. This activity would provide flexibility to award PBV vouchers to KCDC owned units with a simplified process of having a Subsidy Layering Review (SLR) conducted and ensuring the property is compliant with site selection requirements.

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

Cost effectiveness; Housing choice

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

This is the first year for this MTW activity.

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

No

**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**

Currently PBV households have the ability to request a tenant-based voucher after 12 months. This process is administratively burdensome as well as unrealistic in the current housing market. This activity will provide the flexibility to change the portability request to no more than 24 months.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

This is the first year for this MTW activity.

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

No

**17.c. - Housing Development Programs**

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

There is a high need for affordable housing in the Knoxville market. As such, participating in 17.c. will allow KCDC the flexibility to allocate up to 10% of its HAP budget to the acquisition, renovation, or building of affordable rental units (non-public housing) for low-income families.

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

Housing choice

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

Increased revenue; Increased expenditures

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

The MTW activity applies to all assisted households

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

This is the first year for this MTW activity.

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

No

**Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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**Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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**Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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**Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year**

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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<b>D.</b>	<b>Safe Harbor Waivers.</b>
<b>D.1</b>	<p><b>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</b></p> <p>No Safe Harbor Waivers are being requested.</p>

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

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

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

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
2022	\$5,189,510	\$4,026,220	\$1,163,290	

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

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

<b>G.2</b>	<b>Establishing Reasonable Rent Policy.</b>
<p><b>Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?</b> No</p> <p><b>Please describe the MTW agency's plans for its future rent reform activity and the implementation timeline.</b> The agency will be reviewing policies this fiscal year for implementation.</p>	

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

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

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if Population Type is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
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<b>G.4</b>	<b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b>
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To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix" of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.

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

H.	Public Comment
	Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.
	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 (01/07/2023 \_\_\_), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

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

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


Knoxville's Community Development Corporation  
**MTW PHA NAME**

TN003  
**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).*

Benjamin Bentley  
**NAME OF AUTHORIZED OFFICIAL**

Secretary of the Board  
**TITLE**

  
**SIGNATURE**

1/10/2023  
**DATE**

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

Public Meeting was held on March 24, 2023. The only individuals in attendance were KCDC staff.

Matt Tillery – Vice President of Rental Assistance

Marisa Moazen – Vice President of Strategic Partnerships and Policies

Emily Bengyak – Student Intern, KCDC Policy

No public attended and no comments were received.



## Activity 2024-1: Payment Standards – Small Area Fair Market Rents (SAFMR)

### Anticipated Impacts

2.a. Payment Standards – Small Area Fair Market Rents (SAFMR): The PHA may establish payment standards between 80% and 150% of the SAFMR.

- Exact impact is difficult to predict as there are many economic factors that dictate market performance, however, KCDC believes that the impact will be neutral or result in decrease revenue. KCDC has historically sought HUD approval for exception to adopt payment standards above 110% of Fair Market Rent. The application package to these requests has required many hours of staff time as well as costs to hire an external agency to conduct elaborate market analysis.
- Based on historical data KCDC would adopt payment standards between 110-150% annually. As a result, the change will benefit eligible households with a decrease in monthly rent portion.
- The change will not impact the wait time on any agency waitlists.
- The change will have little impact on the termination rate of families from the program. The change would possibly lower the number of families losing assistance due to the rule of termination of assistance after 180 days of zero HAP payment.
- Increased payment standards would incentivize landlords to rent new units to voucher participants as they would be able to rent at higher contract rents, so it would increase utilization rate.
- This activity would increase housing choice and be cost effective. Less staff time and cost obtaining approval for adequate payment standards would be coupled with larger housing inventory as a result of landlord receiving approval of proposed contract rents.
- MTW statutory requirements:
  - There is link to the waiting list. We cannot house families over income limits and are under income targeting regulations where 75% of the families admitted to the Section 8 program must be under 30% of income.
  - Reasonable Rent Policy: This activity does affect process for rent calculations. If a rent comparable is not approved, the owner would need to adjust down on the rent.
  - Substantially the Same Requirement: KCDC anticipates an increase in HAP expenditures due to these activities, however, KCDC will continue to ensure adequate HAP dollars are available to continue to assist families.
  - Comparable Mix Requirement: This activity would have no effect on the number of household members in families, nor unit size rented.
  - Housing Quality Standards (HQS): Units would continue to have to meet the HQS standards, so this statutory requirement will be met.
- Hardship requests are not anticipated as the participants will receive an increased benefit in increased HAP and reduced tenant portion of rent.
- Payment standards for all bedroom sizes would be increased equitably based on market data to avoid a disparate impact to any protected class.

## Activity 2024-2: Payment Standards – Fair Market Rents

2.b. Payment Standards – Fair Market Rents (FMR): The PHA may establish payment standards between 80% and 120% of the FMR.

### Anticipated Impacts

- Exact impact is difficult to predict as there are many economic factors that dictate market performance, however, KCDC believes that the impact will be neutral or result in decrease revenue. KCDC has historically sought HUD approval for exception to adopt payment standards above 110% of Fair Market Rent. The application package to these requests has required many hours of staff time as well as costs to hire an external agency to conduct elaborate market analysis.
- Based on historical data KCDC would adopt payment standards between 110-120% annually. As a result, the change will benefit eligible households with a decrease in monthly rent portion.
- The change will not impact the wait time on any agency waitlists.
- The change will have little impact on the termination rate of families from the program. The change would possibly lower the number of families losing assistance due to the rule of termination of assistance after 180 days of zero HAP payment.
- Increased payment standards would incentivize landlords to rent new units to voucher participants as they would be able to rent at higher contract rents, so it would increase utilization rate.
- This activity would increase housing choice and be cost effective. Less staff time and cost obtaining approval for adequate payment standards would be coupled with larger housing inventory as a result of landlord receiving approval of proposed contract rents.
- MTW statutory requirements:
  - Very Low-Income Requirement: This activity will impact KCDC's ability to meet this requirement as there is a link to applicant waitlist selection. We cannot house families over income limits and also are under income targeting regulations where 75% of the families admitted to the Section 8 program have to be under 30% of income.
  - Reasonable Rent Policy: This activity does affect process for rent calculations. If a rent comparable is not approved, the owner would have to adjust down on the rent.
  - Substantially the Same Requirement: KCDC does anticipate an increase in HAP expenditures due to these activities, however, KCDC will continue to ensure adequate HAP dollars are available to continue to assist the same number of families.
  - Comparable Mix Requirement: This activity would have no effect on the number of household members in families, nor unit size rented.
  - Housing Quality Standards (HQS): Units would continue to have to meet the HQS standards, so this statutory requirement will be met.
- Hardship requests are not anticipated as the participants will receive an increased benefit in increased HAP and reduced tenant portion of rent.

Payment standards for all bedroom sizes would be increased equitably based on market data to avoid a disparate impact to any protected class.

## A. Minimum Rent Hardship Policy

The Minimum Rent Hardship Policy is designed to protect families in crisis by allowing KCDC flexibility to address unique, unforeseeable circumstances that may occur. Those with a hardship may have their rent suspended while their case is reviewed by management.

1. A hardship exists in the following circumstances:
  - A. When the family has lost eligibility for (or is awaiting an eligibility determination for) a federal, state, or local assistance program;
  - B. When the family would be evicted as a result of the imposition of the minimum rent requirement;
  - C. When the income of the family has decreased because of changed circumstances, including loss of employment;
  - D. When the family has an increase in expenses because of changed circumstances, for medical costs, child care, transportation, education or similar items;
  - E. When a death has occurred in the family.
2. If KCDC determines there is no qualifying hardship as listed above, the minimum rent will be reinstated, including requiring back payment of minimum rent to KCDC for the time of suspension.
3. If KCDC determines there is a qualifying hardship, but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. KCDC will offer a reasonable repayment agreement for any minimum rent back payment paid by KCDC on the family's behalf during the period of suspension.
4. If KCDC determines, there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists. Such hardship cases will be reviewed no less than on an annual basis at time of re-exam. Families qualifying for exemption due to a long-term hardship will be required to complete a quarterly interview with management or KCDC staff to document the ongoing hardship.
5. Appeals. The family may use the Informal Hearing procedure to appeal KCDC's determination regarding the hardship.

### A. Long-Term Hardship approval/denial process:

Upon request from an existing resident, KCDC will provide a Minimum Rent Hardship Exemption Request form that is to be completed, returned and forwarded to the Admissions and Compliance Department for processing. Families who qualify and are approved for the exemption due to a long-term hardship will be required to complete a quarterly interview with development staff to document the ongoing hardship.

- 1) The Admissions and Compliance Department receives the completed Minimum Rent Hardship Exemption Request with back-up documentation (Notification from Social

- Security Administration confirming the initial request for benefits).
- 2) The Minimum Rent Hardship Exemption Request will be reviewed by the Admissions and Compliance Department and a decision will be made to approve or deny.
  - 3) The approved/denied Hardship Exemption Form will be sent to the development manager and a copy will be mailed to the resident by the Admissions and Compliance Department.
  - 4) If approved for long-term hardship exemption, the Admissions and Compliance Department will complete an Interim Certification in Elite to indicate the resident qualifies for minimum rent hardship exemption. (This is found on the first screen of a working certification.) This is required so the resident's account will not be charged the minimum rent amount while under the Hardship exemption.
  - 5) Once the Interim certification is complete, the Admissions and Compliance Department will email management to print the 50058, a Resident Worksheet and two new Notice of Adjustment letters; one will be mailed to resident and the other will be placed in the resident's file. The Admissions and Compliance Department's approval should be attached to the 50058 and Resident Worksheet as back-up documentation for the Interim certification (this will eliminate the need to complete an Interim Rent Redetermination form).
  - 6) Management will be required to set up quarterly meetings with all approved hardship residents in order to obtain necessary documentation from the Social Security Administration.
  - 7) An EIV should be generated at the time of quarterly meetings for the household to verify if there is any income that has not been reported.
  - 8) The original Conference Notice should be used to document the resident's current standing with the Social Security Administration (approval/denial of disability benefits).
  - 9) The Admissions and Compliance Department will send email reminders to management to run the Minimum Rent Long-Term Hardship report to trigger quarterly meetings.

## B. Minimum Rent Short-Term Hardship approval/denial process:

Upon request from an existing resident, KCDC will provide a Minimum Rent Hardship Exemption Request form that is to be completed, returned and forwarded to the Admissions and Compliance Department for processing.

- 1) The Admissions and Compliance Department receives the completed Minimum Rent Hardship Exemption Request with back-up documentation, if available (Request for Interim Redetermination form due to a death in the family, separation notice from employer, unreimbursed medical and/or child care costs, etc.).
- 2) The Minimum Rent Hardship Exemption Request is reviewed by the Admissions and Compliance Department and a decision is made to approve or deny.
- 3) The approved/denied Hardship Exemption Form will be sent to the development manager via email and a copy will be mailed to the resident by the Admissions and Compliance Department.
- 4) If approved, management will be responsible for monitoring the 3-month Exemption period. If at any time during the 3-month period circumstances were to change for the resident and they are able to begin paying the required minimum rent, it is acceptable to allow them to begin making payments.

- 5) At the conclusion of the 3-month Exemption period, management should meet with the resident to have them sign the “Promissory Note for Payment on Account – Mgmt. #9” form.
- 6) The Promissory Note amount must be repaid within a 3-month period. Therefore, the repayment terms would be \$50.00 for three months.
- 7) The Promissory Note for Payment on Account form should be submitted as an attachment to accounting using the BOC Request module in Elite (Repayment Request).