

**PHA Name :** Housing Authority Of The County Of Santa Cruz

**PHA Code :** CA072

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

**PHA Program Type:** Combined

**MTW Cohort Number:** Asset Building

**MTW Supplement Submission Type:** Annual Submission

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

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) 2024 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC looks forward to working with HUD and the evaluation team to develop and implement asset building activities and to better understand perspectives and experiences of assisted households participating in the "Opt-Out Savings Account" initiative through the program evaluation process. Additionally, HACSC will actively participate in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building.

This supplement identifies the MTW waivers and activities that HACSC will implement to achieve the three MTW statutory objectives which are outlined in more detail below in the sections of Economic Mobility, Cost Effectiveness, and Housing Choice.

**Economic Mobility:** Implementation of the Opt-Out Savings Account initiative will be the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 360 days. HACSC anticipates these initiatives will reduce or eliminate regressive aspects of the program and will encourage assisted households to seek employment opportunities, increased wages, and build assets.

**Cost Effectiveness:** HACSC will leverage MTW authority to implement a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers will enable HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants will benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC experience and expertise to conduct certain HQS functions and PBV processes in which third-party assistance is required will eliminate administrative time spent coordinating contractors, and support tenants to secure housing.

**Housing Choice:** HACSC's approach to improving housing choice includes providing housing stability to program participants that are already housed through waivers such as alternative income inclusions / exclusions, alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing will be achieved by increasing the PBV program cap and PBV project cap. The ability to expand the PBV program will provide new housing opportunities to program participants and will support the development of new units within our community.

HACSC is excited to have the opportunity to participate in the Asset Building Cohort and to implement MTW waivers that will achieve HUD's statutory objectives. These activities align with the agency mission and our long-term vision for MTW.

Under the MTW Operations Notice, the Housing Authority of the County of Santa Cruz is authorized to flexibly and interchangeably utilize Public Housing Operating Fund, Capital Fund Program and certain Housing Assistance Payments funds for any purpose authorized under Sections 8 and 9 of the US Housing Act of 1937 and for local, non-traditional activities. The agency may utilize this flexibility over the fiscal year to support activities described in the Annual Plan in accordance with the requirements of the Operations Notice

**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)	Plan to Implement in the Submission Year
<b>2. Payment Standards and Rent Reasonableness</b>	
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)	Plan to Implement in the Submission Year
<b>3. Reexaminations</b>	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
<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)	Plan to Implement in the Submission Year
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
<b>6. Short-Term Assistance</b>	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
<b>7. Term-Limited Assistance</b>	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
Increase Elderly Age (PH & HCV)	Not Currently Implemented

<b>9. Project-Based Voucher Program Flexibilities</b>	
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)	Plan to Implement in the Submission Year
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Plan to Implement in the Submission Year
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)	Plan to Implement in the Submission Year
<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. Housing Development Programs	Plan to Implement in the Submission Year

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

<b>1.w. - Alternative Income Inclusions/Exclusions (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>Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Cost effectiveness; Self-sufficiency; 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 to all assisted households</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 the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p> <p>Yes</p>
<p><b>What is the status of the Safe Harbor Waiver request?</b></p> <p>The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).</p>
<p><b>What inclusions or exclusions will be eliminated, modified, or added?</b></p> <p>Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.</p>

<b>2.b. - Payment Standards- 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>The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</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>Neutral (no cost implications)</p>

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

The MTW activity applies to all assisted households

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

N/A

**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:**

Currently, PHAs are required to establish payment standards between 90% - 120% Fair Market Rents. The proposed waiver would provide HACSC with greater flexibility to establish payment standards that reflect market rates, resulting in greater housing choice for program families.

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

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

HACSC will no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make

available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department's request, the agency must obtain the services of a third-party.

**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 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.**

Applies only to units owned or controlled by the PHA.

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

N/A

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

No

**Please explain or upload a description of the quality assurance method.**

The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned rent reasonableness assessments, including establishing the sampling size and frequency within the procedures and designating quality control roles and responsibilities.

No document is attached.

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

Reasonable rent is currently determined using information produced by AffordableHousing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities and amenities. HACSC may institute a change to which database

is used for Rent Reasonableness determinations but will always utilize a national rent reasonableness system that meets HUD regulatory requirements.

No document is attached.

### **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**

Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants will have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. The activity as proposed meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.

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

Cost effectiveness; Self-sufficiency

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

N/A

**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



<p><b>Does the MTW activity require an impact analysis?</b></p> <p>Yes</p> <p>This document is attached.</p>
<p><b>Does the impact analysis apply to more than this MTW activity?</b></p> <p>No</p>
<p><b>What is the recertification schedule?</b></p> <p>Other</p> <p>At least every three years for fixed-income families and at least every two years for all remaining families.</p>
<p><b>How many interim recertifications per year may a household request?</b></p>
<p><b>Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.</b></p> <p>The HACSC will conduct reexaminations for fixed-income families at least every three years and will conduct reexaminations for all remaining (non-fixed-income families) at least every two years.</p> <p>Between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the HCV Administrative Plan and will include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment.</p> <p>HACSC will reserve the right to conduct reexaminations more frequently either for administrative or for financial reasons.</p>

<p><b>3.d. - Self-Certification of Assets (HCV)</b></p>
<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>At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p> <p>Cost effectiveness</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>Decreased 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 to all assisted households</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 the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p>

No

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

\$50,000.

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

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

HACSC shall eliminate the requirement for third -party inspections of PHA-owned units, which will save staff time, increase operational efficiency, and increase cost effectiveness. Additionally, it may increase housing choice for tenants through a faster inspection process. With third-party inspections, delays are beyond HACSC's control. HACSC has certified HQS Inspectors on staff and plans to utilize them for PHA-owned unit inspections. This will increase efficiency and reduce staff time. This change will allow HACSC to operate more efficiently and strategically to serve its mission and focus on innovative programs and services to tenants.

**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 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.**

Applies only to units owned or controlled by the PHA.

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

N/A

**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

"Please explain or upload" - Explanation provided herein in lieu of an upload: The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities.

No 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**

The HACSC proposes to project-base the lower of fifty percent (50%) of the total authorized units or fifty percent (50%) of annual budget authority of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program.

The Project-Based Voucher (PBV) program allows a Housing Authority to use up to twenty percent (20%) percent of its vouchers to attach the funding to specific affordable units. PHAs may project base an additional ten percent (10%) of vouchers that are excepted from this cap, for units designated for homeless, veterans, supportive services, or in a low poverty census tract.

Benefits to Development: Project basing gives developers a guarantee of a future source of stable income for a development, which can be integral to the financing package that makes constructing or rehabilitating affordable housing possible. In markets facing a housing shortage, this is one of the only tools housing authorities have to spur the construction of new, quality, affordable units. Many families with tenant-based vouchers struggle to find a unit in the private rental market due to an extreme scarcity of rental housing and property owner reluctance to participate in the voucher program. Scarcity of rental units leads to tenant-based vouchers often expiring before a household can secure a unit, and results in loss of voucher assistance. Committing vouchers to affordable properties through the PBV program ensures those units will be available exclusively to voucher households. Since the PBV program promotes construction of affordable housing in high opportunity low poverty neighborhoods, increasing the PBV cap allows more low-income households, often including children, to benefit from good neighborhoods that are likely to have better schools, parks, healthcare, jobs, transportation, and other assets that improve outcomes for low-income families. Families are not required to stay in PBV units and may move into any unit of their choosing in the private market using a tenant-based voucher at the end of their initial lease term, freeing up the PBV unit for the next eligible household waiting for assistance.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

N/A

**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**

Allows more than the greater of twenty-five units or 25% of the units at a complex to receive Project-Based Voucher assistance. Under current regulations, "excepted" units that are for the elderly or those providing supportive services are already exempt from this cap. This activity would allow units that may not be serving the excepted populations to go above the cap up to 100% of the units at a project. This will increase housing choice and contribute to the development of additional affordable housing production available to households eligible for the Section 8 Program. The HACSC will continue to be subject to Notice PIH 2013-27 where applicable, or successor notices.

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

N/A

**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**

The HACSC will eliminate the independent third-party selection process in the award of PBV's to properties owned or controlled by the agency. All other PBV selection and approval requirements, including HQS compliance, NEPA review and subsidy layering review are still applicable and must be conducted. The HACSC will comply with all Safe Harbor requirements including (1) A subsidy layering review must be conducted; (2) The agency must complete site selection requirements; (3) HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f); (4) The agency is subject to Notice PIH 2013-27 where applicable, or successor; and (5) Property must be owned by a single-asset entity of the agency, see 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
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b> The MTW activity applies only to a subset or subsets of assisted households
<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> New admissions and currently assisted households
<b>Does the MTW activity apply to all family types or only to selected family types?</b> The MTW activity applies to all family types
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
<b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b> Applies only to units owned or controlled by the PHA.
<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> N/A
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> No

<b>9.h. - Limit Portability for PBV Units (HCV)</b>
<b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</b> HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b> Cost effectiveness
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b> Decreased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>

The MTW activity applies to all assisted households
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> N/A
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> No

<b>14.a. - Waive Initial HQS Inspection Requirement (HCV)</b>
<b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</b> HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b> Cost effectiveness; Housing choice
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b> Decreased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b> The MTW activity applies only to a subset or subsets of assisted households
<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> Currently assisted households only
<b>Does the MTW activity apply to all family types or only to selected family types?</b> The MTW activity applies only to selected family types
<b>Please select the family types subject to this MTW activity.</b> Other – another specifically defined target population or populations.
<b>If Other Selected in Previous Question: Please describe this target population in the text box.</b> Only residents of Permanent Supportive Housing Programs.
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
<b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b> Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based

voucher unit.
<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>  N/A
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>  No

<b>14.b.HCV - Allow Income Calculations from Partner Agencies (HCV)</b>
<b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</b> HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>  Cost effectiveness
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>  Decreased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>  The MTW activity applies only to a subset or subsets of assisted households
<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>  Currently assisted households only
<b>Does the MTW activity apply to all family types or only to selected family types?</b>  The MTW activity applies only to selected family types
<b>Please select the family types subject to this MTW activity.</b>  Other – another specifically defined target population or populations.
<b>If Other Selected in Previous Question: Please describe this target population in the text box.</b>  Only residents of Permanent Supportive Housing Programs transitioning to a voucher.
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>  The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
<b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b>

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

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

No

**14.c.HCV - Aligning Tenant Rents and Utility Payments Between Partner Agencies (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**

HACSC may, at their discretion, adjust the subsidy for PSH residents transitioning into voucher-based assistance to align the tenant's portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant's contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.

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

Housing choice

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

Increased expenditures

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

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

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

Currently assisted households only

**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.**

Other – another specifically defined target population or populations.

**If Other Selected in Previous Question: Please describe this target population in the text box.**

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

**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.**

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

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



N/A
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> No

<b>17.c. - Housing Development Programs</b>
<b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</b> HACSC intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities and families receiving housing or services through local, non-traditional activities must meet the definition of low-income. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice. The Agency shall comply with Safe Harbor provisions requiring compliance with Section 30 of the 1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b> Housing choice
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b> Increased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b> The MTW activity applies to all assisted households
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> N/A
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b> 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
Natural Bridges	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00

**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>Yes, the Safe Harbor Waiver request(s) for 1w is(are) attached.</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>Yes, the Agency-Specific Waiver request is attached.</p>
<b>E.2</b>	<p><b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b></p> <p><b>Does the MTW agency have any approved Agency-Specific Waivers?</b></p> <p>MTW Agency does not have approved Agency-Specific Waivers</p>

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

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
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<b>G.</b>	<b>MTW Statutory Requirements.</b>
<b>G.1</b>	<p><b>75% Very Low Income – Local, Non-Traditional.</b></p> <p>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.</p>
<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
Total Local, Non-Traditional Households	<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></p> <p>Yes</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>
<p>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.</p>	

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

<b>H.</b>	<b>Public Comment</b>
	Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.
	Please see attached for an additional public hearing held for Agency-Specific Waiver(s) and/or Safe Harbor Waiver(s)

<b>I.</b>	<b>Evaluations.</b>
	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 (07/01/2023), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

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



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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

CA072

**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).*

ANDREW SCHIFFRIN

CHAIRPERSON, BOARD OF COMMISSIONERS

**NAME OF AUTHORIZED OFFICIAL****TITLE****SIGNATURE****DATE**

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

**Housing Authority of the County of Santa Cruz**  
**Hardship Policy**  
**Activity 2.b. – Payment Standards – Fair Market Rents**

Under MTW Activity 2.b., the Housing Authority of the County of Santa Cruz (HACSC) will establish payment standards for the Housing Choice Voucher (HCV) program that are between 80% and 120% of the Fair Market Rent (FMR) for each applicable bedroom size. Without this MTW flexibility, payment standards must be established between 90% and 110% of the applicable FMR.

By establishing more flexible payment standards, HACSC projects that overall program participants will benefit and that additional housing opportunities will be affordable to HCV participants including housing units in higher opportunity areas, i.e. areas with lower poverty rates and greater access to jobs, education, services and other amenities. An additional projected benefit is that housing cost burdens may decrease for some households living in units for which the payment standard increases.

The MTW Operations Notice requires that HACSC implement a hardship policy for MTW activity 2.b. HACSC will review this hardship policy during its intake and recertification process. While it is highly unlikely that any household's assistance will be terminated as a result of this activity, if this situation arises, HACSC will consider if a household qualifies for a hardship exemption at the time of potential termination of assistance that is due to this activity.

HUD requires that the hardship policy address the following potential situations:

*The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance.*

Activity 2.b. will not result in decreases to household income and, therefore, will not create a hardship in this situation. However, households who experience income decreases can request an interim recertification in accordance with HACSC's existing Administrative Plan policies.

*The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.*

If HACSC reduces payment standards below 90% of FMR pursuant to Activity 2.b., some existing HCV participants may experience an increase in total tenant payment (TTP) compared to their TTP prior to implementation of the reduced payment standards. To eliminate any hardship caused by this activity, HACSC will not apply the lower payment standard to families who have already leased units under the higher standard until they move to a new unit. HACSC does not expect any hardship requests as a result of this waiver and no secondary level of review will be required.



**Housing Authority of the County of Santa Cruz**  
**Impact Analysis: Activity 2b**

<b>Waiver Number:</b> 2.b.
<b>Waiver Description:</b> Payment Standards – Fair Market Rents
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
HACSC proposes to waive the requirement to establish Payment Standards between 90% - 110% of FMRs. Instead, HACSC proposes to establish Payment Standards between 80% - 120% of FMRs in order to provide the agency with more flexibility to establish Payment Standards that better reflect actual market rents.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input type="checkbox"/> Cost effectiveness. <input type="checkbox"/> Self-sufficiency. <input checked="" type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The proposed waiver applies to all assisted households.
<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>
The proposed waiver applies to both new admissions and currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
The proposed waiver applies to all family types.
<b>Please select the family types subject to this MTW activity.</b>
The proposed waiver applies to all family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
The proposed waiver is cost neutral. The cost of any particular payment standard will be analyzed prior to establishment and implementation.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
The proposed waiver would allow HACSC to establish Payment Standards that better reflect market rents with the goal of increasing housing choice and reducing rent burden for families.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
The proposed waiver will not impact HACSCs waiting list.

**Housing Authority of the County of Santa Cruz**  
**Impact Analysis: Activity 2b**

<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
The proposed waiver will not impact HACSCs termination rate.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>
The proposed waiver could potentially improve the utilization rate of HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The proposed waiver will support housing choice by providing the agency with greater flexibility to establish Payment Standards that reflect market rents.
<b>Impact on the agency's ability to meet the MTW statutory requirements;</b>
The proposed waiver will not impact HACSCs ability to meet statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
HACSC does not anticipate hardship requests related to this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
HACSC does not anticipate any impact on protected classes as a result of this waiver.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
HACSC has prepared "Hardship Policy Activity 2.b. – Payment Standards" for this activity which is included with the MTW Supplement submission.

**Housing Authority of the County of Santa Cruz**  
**Hardship Policy**  
**MTW Activity 3.b. - Alternative Reexamination Schedule**

Under MTW Activity 3.b., the Housing Authority of the County of Santa Cruz (HACSC) will implement an alternative reexamination schedule that will reduce the frequency of reexaminations to at least once every three years for families with fixed incomes and to at least once every two years for all other families.

Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security.

The MTW Operations Notice requires that HACSC implement a hardship policy for MTW Activity 3.b. HACSC will review this hardship policy during its intake and recertification process. While it is highly unlikely that any household's assistance will be terminated as a result of this activity, if this situation arises, HACSC will consider if a household qualifies for a hardship exemption at the time of potential termination of assistance that is due to this activity.

HUD requires that the hardship policy address the following potential hardship situations:

*The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance; and/or,*

*The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.*

To address these hardships, in between regular reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the family experiences a qualifying event upon request of the household. Qualifying events are described in the HCV Administrative Plan, and include decreases in income, changes in household composition, changes to the contract rent, changes in expenses and other situations as applicable. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment. The HACSC will not conduct interim adjustments for increases in income unless they are associated with a change in household composition or at the request of the assisted family.

The interim policy will meet or exceed the safe harbor requirement of the Ops Notice and will not limit the number of interims that a family may receive.

The proposed MTW Activity will benefit families, postponing increases in their portion rent due to increased income, but continuing to process other eligible changes including household composition changes and decreases in rent due to decreased income. Therefore, HACSC does not expect any hardship requests as a result of this waiver. However, HACSC will conduct additional reexaminations upon request by the family, and no secondary level of review will be required.

**Housing Authority of the County of Santa Cruz**  
**Impact Analysis: Activity 3b**

<b>Waiver Number:</b> 3.b.
<b>Waiver Description:</b> Alternative Reexamination Schedule for Households (HCV)
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
<p>HACSC proposes to waive 24CFR982.516(a)1, which requires that PHAs conduct reexaminations of family income and composition at least annually. HACSC proposes to conduct reexaminations of fixed income households at least every three years, and to conduct reexaminations of all other (non-fixed income households) at least every two years.</p> <p>Reducing the frequency of household certifications allows participants to keep more of their increases in income for a longer period of time. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security. The paperwork burden on voucher holders will lessen if they do not have to submit income and employment changes annually. Tenants will have a greater ability to meet all basic needs as well as saving for the future. Reducing the frequency of reexaminations will also significantly reduce the staff time spent conducting these reexaminations, freeing up staff time to focus on asset building activities and other activities that align with our mission. The activity as proposed meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.</p>
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<p><input checked="" type="checkbox"/> Cost effectiveness.</p> <p><input checked="" type="checkbox"/> Self-sufficiency.</p> <p><input checked="" type="checkbox"/> Housing Choice</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>
All assisted households.
<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>
New admissions and currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
All family types.
<b>Please select the family types subject to this MTW activity.</b>

**Housing Authority of the County of Santa Cruz**  
**Impact Analysis: Activity 3b**

All family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
<p>The proposed alternate reexamination schedule will impact agency finances. Specifically, the agency will experience cost savings through a reduction in the staff cost of conducting reexaminations and will experience increased costs through anticipated increases in the average subsidy payment (HAP) received by program families whose reexaminations are performed less frequently.</p> <p>It is estimated that the proposed reexamination schedule will result in approximately 3,000 fewer reexaminations over the course of a year. This represents a 27% decrease in the workload of the Housing Programs Department, representing a potential savings of approximately \$500,000. While this savings is significant, it is likely to be more than offset by increases in average HAP payments to families.</p> <p>It is much more difficult to estimate the potential increase in subsidy (HAP) associated with the proposed policy. HAP is inversely related to household income, meaning that when incomes go up, HAP goes down, and vice versa. In HACSC's programs, 38% of households have Social Security, SSI, and pensions as their only form of income. These households experience COLA increases every year, including large increases in recent years due to high inflation. For the remaining (non-fixed income) families, the cost of the proposed policy will be directly related to the average increase in household income, and the extent to which those increases are more or less than any increases in payment standard. Staff is currently in the process of evaluating various factors to estimate the potential increase in HAP related to the proposed policy. HACSC will closely monitor increases in HAP and may conduct annual reexaminations more frequently if needed.</p>
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
<p>The proposed policy will benefit families. Fixed income families will benefit because their portion of rent will not increase due to the modest COLAs they receive in between triennial reexaminations. Non-fixed income families will also benefit, and will retain all of the increased income associated from additional wages for up to two years before their next reexamination is conducted and their portion of rent is redetermined.</p>
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC does not expect any impact to the amount of time families wait on the waiting list.

**Housing Authority of the County of Santa Cruz**  
**Impact Analysis: Activity 3b**

<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
HACSC does not expect any impact to the agency's termination rate of families.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>
HACSC does not expect any impact to the agency's utilization rate.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The proposed policy will help meet the statutory goal of cost effectiveness by reducing HACSC workload and staffing costs and will help meet both the self-sufficiency and housing choice goals by allowing families to retain more of their income increases between reexaminations, removing disincentives for increasing income, and possibly resulting in families being able to save money, build assets, and resulting in more potential housing choices.
<b>Impact on the agency's ability to meet the MTW statutory requirements;</b>
The proposed policy will not impact HACSC's ability to meet statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
HACSC does not expect any hardship requests as a result of this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
The proposed policy is not expected to have any negative or disparate impact on any protected classes. The policy will benefit households.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
HACSC has prepared <b>Hardship Policy MTW Activity 3.b. - Alternative Reexamination Schedule</b> for this activity which is included with the MTW Supplement submission.

<b>5.1.b. Opt-Out Savings Account (HCV)</b>
<b>Statutes and Regulations Waived:</b> Certain provisions of sections 23(b)-(f), and (n)(1) of the 1937 Act and 24 CFR 984.101-105, 984.201-204, 984.301-306 and 984.401.
The Housing Authority of the County of Santa Cruz (HACSC) – the agency - is authorized to provide funds to assisted households with the goal of increasing savings of assisted households.
<b>Narrative:</b> Funds shall be provided in the form of a savings account that will accrue for at least one year or until the account reaches \$120; no contract of participation will be required; households do not need to meet eligibility requirements in the FSS statute; all HCV assisted households shall be eligible to participate in the savings program, regardless of elderly and/or disabled status; and the amounts of contributions are not tied to income and contributions will be made whether or not there is a corresponding increase in participant contribution. The HACSC shall select one randomly selected treatment group and one deeply targeted treatment group in order to test our hypothesis that targeting such an asset building intervention to deeply targeted population would result in more significantly measurable positive outcomes than a randomly selected population of Section 8 participants.
<b>Structure:</b> The HACSC shall contribute a pre-determined, set amount of funds per household, per month into an escrow or personal savings account for the benefit of each assisted household participating in the savings program.
<b>Eligibility:</b> All Section 8 and Section 9 assisted households shall be eligible to participate in the savings program, regardless of elderly and/or disabled status.
<b>Implementation Period:</b> The HACSC shall provide the monthly contributions to assisted households participating in the savings program for at least 24 consecutive months.
<b>Number of Households:</b> The HACSC shall select one randomly selected treatment group and one deeply targeted treatment group and shall offer the savings program to at least 25 Section 8 assisted households per treatment group but in total not more than 50% of our total Section 8 assisted households during the 24-month implementation period. The Asset Building Cohort evaluator may assist the HACSC in randomly selecting assisted households to participate in the savings program as needed.
<b>Amount of Savings Contribution:</b> The HACSC shall contribute at least \$10 per month for the benefit of each assisted household participating in the savings program. The HACSC shall not contribute more per month for the benefit of each assisted household participating in the savings program than the applicable fair market rent of the unit in which they reside, and this amount must be the same for each assisted household participating in the savings program.
<b>Access to Banking:</b> The HACSC shall develop and implement a strategy to connect assisted households participating in the savings program with banking resources in the community. Banking resources should seek to maximize access to banking and minimize fees and other risks to the financial position of assisted households. This strategy could be developed internally at the HACSC or in conjunction with a

community partner organization. Assisted households participating in the savings program must have or obtain a bank account in order to receive funds from the savings program.

**Access to Funds by Assisted Households:** The HACSC may opt to pre-fund the account with \$120 or more so that the assisted household may access funds immediately if needed. Alternatively, the HACSC may establish guidelines wherein assisted households may receive funds for an urgent need before the account has reached a balance of \$120. The HACSC shall not place restrictions on how the funds are utilized by the assisted household after the account has reached a balance of \$120.

This MTW activity serves the following statutory objectives:

- ☒ Housing Choice
- ☒ Self-Sufficiency

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- ☒ All assisted households

This MTW activity has the following cost implications:

- ☒ Increased expenditures

**The implementation timeline for the initiative is:**

Upon approval of MTW Supplement, Agency and Administrative Plan, design of and approval by evaluator of asset-building program, and training of staff.

Safe Harbors:

- i. The PHA must continue to follow all requirements of 2 CFR part 200.
- ii. 24 CFR 984.305(a) on accounting and reporting must be retained.
- iii. The PHA must contribute at least \$10 per month for the benefit of each assisted household participating in the savings program.
- iv. The PHA must not contribute more per month for the benefit of each assisted household participating in the savings program than the applicable fair market rent of the unit in which they reside.
- v. The PHA must provide an opportunity for households to opt-out of this activity.

This MTW activity does not require an impact analysis.

This MTW activity does not require a hardship policy.

**Comments received at the public and the agency's description of how the comments were considered.** There were no comments received at the public hearing.



## Safe Harbor Waiver

### 1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)

#### The specific safe harbor and its implementing regulation:

The safe harbor for the Alternative Income Exclusion (HCV) waiver states that an agency must exempt elderly and disabled individuals from this rent determination policy. The relevant implementing regulation is the definition for Annual Income located at 24CFR5.609.

#### The proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver:

The HACSC intends to apply this waiver to all households instead of excluding elderly and disabled households, which is outside of Safe Harbor.

#### A description of the local issue and why such an expansion is needed to implement the MTW activity:

The waiver being requested would allow the HACSC to exclude income from MTW asset building activities for the purpose of determining adjusted annual income used for calculating rental subsidy. This waiver *benefits* households by reducing their contribution to rent through the exclusion of certain income. The HACSC does not wish to prevent any eligible elderly and disabled households who may receive asset-building and/or guaranteed income from the benefit of having those incomes excluded.

An impact analysis is required for this activity.

The proposed waiver will benefit households. No household will be adversely impacted by the proposed waiver.

**A description of the hardship policy for the MTW activity, if applicable:** No hardship policy is needed for this MTW activity, as the waiver being requested benefits households by reducing their contribution to rent through the exclusion of certain income.

#### A copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered.

No comments were received at the public hearing.

## Agency-Specific Waiver

### Allow use of LIHTC Tenant Income Certification (TIC) for PBV eligibility determination.

**Waive:** 24 CFR Part 5 5.609(c)(3) **Use of other programs' determination of income** and 24 CFR Section 982.516 (**family income and composition; regular and interim examinations**) as necessary to implement use of the Low-Income Housing Credit (26 U.S.C. 42 ) (LIHTC) Tenant Income Certification (TIC) for PBV eligibility determination.

For PBV units that also use LIHTC, HACSC proposes to use the attached Tenant Income Certification (TIC) form required under The Low-Income Housing Credit (26 U.S.C. 42 ) (LIHTC) Program as verification of the income and assets.

Owners of PBV units that receive tax credits must already comply with Federal LIHTC regulations which are similar to HCV regulations regarding verification of income and assets when determining and recertifying income eligibility of residents. Therefore, at initial eligibility and reexamination for each tenant residing in PBV units that also has LIHTC, the owner and HACSC are duplicating efforts in the verification process. This causes unnecessary delays in processing new tenants and creates redundant demands on clients to submit the same documentation to both the owner and the HACSC.

### **Following language is excerpted from Federal Register / Vol. 88, No. 30 / Tuesday, February 14, 2023 / Rules and Regulations**

*HOTMA mandates that HUD allow PHAs and owners to use income determinations from TANF block grants, Medicaid, and SNAP assistance. In addition, HUD believes that the definition of adjusted gross income used for the EITC is similar enough to the definition of income used by HUD to justify the inclusion of the EITC on the list. In this final rule, HUD is adding several forms of assistance to the list of means-tested public assistance that a PHA or owner may rely upon for an alternative income determination under § 5.609(c)(3): LIHTC; WIC; the SSI program; and other HUD programs, such as the HOME program. In addition, PHAs or owners may use income determinations from other forms of means-tested Federal public assistance if HUD has established a memorandum of understanding with the agency administering the assistance. Because the use of outside income determinations is permissive for PHAs or owners, PHAs or owners must specify in their written admission and continued occupancy policies, HCV administrative plan, or House Rules, as applicable, the policies that they are adopting, including which programs from the HUD-approved list, if any, they will accept and their method for choosing between potentially competing determinations from different programs.*

***In response to questions received in public comments, HUD is also adding regulatory language specifying how PHAs or owners that choose to use income determinations from other programs are to verify the information. PHAs or owners are to use third-party verification, which must include the tenant's family size and composition and***

state the family's annual income. The verification must also be dated within the time frame specified for the type of verification, including within the previous 12-month period for purposes of the specified means-tested forms of Federal public assistance. If the PHA or owner cannot obtain the required third-party verification, or if the family disputes the determination, the PHA or owner must calculate the family's annual income using the methods established in § 5.609(c)(1) and (2) or in the applicable program regulations.

...

In this rule, HUD, to the extent practicable and allowed by statute, is aligning programmatic regulations and requirements across HUD programs. Aligning with LIHTC is outside this rule's scope, but **HUD would note that income for tenants occupying LIHTC projects is calculated in accordance with 26 U.S.C. 42(g)(4) (referencing 26 U.S.C. 142(d)(2)(B)), which says "income of individuals and area median gross income shall be determined by the Secretary in a manner consistent with determinations of lower income families and area median gross income under section 8 of the United States Housing Act of 1937." Section 1.42–5(b)(1)(vii) of title 26, Code of Federal Regulations, has similar language that states, "[t]enant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ('Section 8')."** Therefore, HUD believes that LIHTC and HUD program income calculations are currently aligned and will continue to be aligned when the changes in **HOTMA are codified.** When a project is using multiple sources of HUD funding, HUD already has in place programmatic policies and requirements on how to combine and administer those multiple sources. For example, MFH addresses tenant rent issues for units with LIHTC financing and HAP assistance in the Multifamily Occupancy Handbook. PHAs and owners should continue to follow such policies.

The use of the TIC for income verification at PBV properties is consistent with the rules that will be codified by HUD effective 1/1/2024:

**Effective 1/1/2024**

**5.609(c)(3) Use of other programs' determination of income.**

(i) The PHA or owner may, using the verification methods in paragraph ©(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:

(A) The Temporary Assistance for Needy Families block grant (42 U.S.C. 601 , et seq.).

(B) Medicaid (42 U.S.C. 1396 et seq.).

(C) The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).

(D) The Earned Income Tax Credit (26 U.S.C. 32 ).

**(E) The Low-Income Housing Credit (26 U.S.C. 42 ).**

(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786 ).

(G) Supplemental Security Income (42 U.S.C. 1381 et seq.).

(H) Other programs administered by the Secretary.

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register .

(ii) If a PHA or owner intends to use the annual income determination made by an administrator for allowable forms of Federal means-tested public assistance under this paragraph ©(3), the PHA or owner must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA or owner must calculate annual income in accordance with 24 CFR part 5 , subpart F. The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.

The TIC form used by the LIHTC Program follows HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification. The form requires the client's statement of income and assets, the client's signature, and the property owner's certification that they verified the data provided by the client and is therefore reliable documentation of the client's income/asset profile.

For Project Based Voucher Applicants applying for PBV units at a property with low-income housing tax credits the property management company conducts income and asset verifications utilizing methods outlined in the California Tax Credit Allocation Committee compliance manual following income and asset verification guidelines from chapter 5 of the HUD handbook. Once property management completes verification of income and assets, they compile the data on the Tenant Income Certification (TIC) form, which will be submitted with consent from the applicant to the PHA along with the Housing Authority application packet. The PHA will utilize the TIC as verification of income and assets for an applicant

household for initial certification. The PHA will conduct its standard background screening and collect any additional information needed for the 50059 as part of the initial certification process in addition to using the TIC as verification of income and assets.

The TIC form collects all information that is required for a PBV rent calculation except childcare deduction, disability assistance deduction, medical expense deduction, and elderly family deduction. The TIC form records income, income from assets, and identifies the utility allowance. Information on the TIC also allows the HACSC to record dependent deductions. HACSC will continue to allow households to supply any documentation that will permit them to claim the other applicable deductions.

While the TIC does not collect all the information that is required for the Form 50058 submission to PIC, HACSC will collect all the appropriate data from the household. The TIC will only be used as verification of income and assets for the income eligibility and rent calculation processes.

**The Housing Authority intends to continue use of Enterprise Income Verification (EIV) after implementation of this Agency-Specific Waiver.**

Considerations around Section 102/104 of HOTMA: In accordance with Federal Register /Vol. 88, No. 30 /Tuesday, February 14, 2023 /Rules and Regulations, *“MTW agencies remain subject to statutory and regulatory provisions not waived by the MTW Agreement and those statutory and regulatory provisions outside the scope of MTW waiver authority, including any changes thereto. Any provisions of the 1937 Act and its implementing regulations that are amended by HOTMA and already explicitly waived by the MTW Agreement will continue to be waived by the relevant provisions of the MTW Agreement.”*

This MTW activity serves the following statutory objectives:

☒ Cost effectiveness

This activity corresponds with the HUD goal of increasing cost effectiveness by simplifying the calculation process.

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

☒ only to a subset or subsets of assisted households: **PBV Only**

**If previous questions is subset.**

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

☒ New admissions (i.e., applicants) only - **PBV Only**

**If above questions is subset.**

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

☒ only to selected family types

Please select the family types subject to this MTW activity:

☒ Other – another specifically defined target population or populations. The description of this population is: **PBV only.**

**If above questions is subset.**

An MTW activity can apply to a tenant-based and or project-based voucher.

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

This MTW activity has the following cost implications:

☒ Decreased expenditures

**The implementation timeline for the initiative is:**

Upon approval of MTW Supplement, Agency and Administrative Plan, and training of staff.

This MTW activity does require an impact analysis.

Hardship Policy: No households will be adversely affected by this MTW activity. The proposed activity will benefit tenants of LIHTC units to streamline the eligibility determine and reexamination process and will eliminate redundant demands on tenants to submit the same paperwork to both the owner and HACSC.

**Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.**

There were no comments received at the public hearing.

# TENANT INCOME CERTIFICATION

☐ Initial Certification   
 ☐ Recertification   
 ☐ Other \_\_\_\_\_

Effective Date: \_\_\_\_\_  
 Move-In Date: \_\_\_\_\_  
 (MM-DD-YYYY)

## PART I - DEVELOPMENT DATA

Property Name: \_\_\_\_\_ County: \_\_\_\_\_ TCAC#: \_\_\_\_\_ BIN#: \_\_\_\_\_  
 Address: \_\_\_\_\_ If applicable, CDLAC#: \_\_\_\_\_  
 Unit Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_ Square Footage: \_\_\_\_\_

## PART II. HOUSEHOLD COMPOSITION

☐ Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Check One)	Last 4 digits of Social Security #
1				HEAD		FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
2						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
3						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
4						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
5						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
6						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	
7						FT <input type="checkbox"/> / PT <input type="checkbox"/> / NA <input type="checkbox"/>	

## PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above

TOTAL INCOME (E):

\$

## PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset

TOTALS:

\$

\$

Enter Column (H) Total

Passbook Rate

If over \$5000

\$

X

0.06%

=

(J) Imputed Income

\$

Enter the greater of the total of column I, or J: imputed income

TOTAL INCOME FROM ASSETS (K)

\$

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$

## HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

**PART V. DETERMINATION OF INCOME ELIGIBILITY****RECERTIFICATION ONLY:**

TOTAL ANNUAL HOUSEHOLD  
INCOME FROM ALL SOURCES:  
From item (L) on page 1

\$

Unit Meets Federal  
Income Restriction at:  
☐ 60% ☐ 50%

Current Federal LIHTC  
Income Limit x 140%:

\$

Current Federal LIHTC Income Limit per  
Family Size (Federal Income Restriction at  
60%, 50% or A.I.T. (20% - 80%)):

\$

Or Federal A.I.T. at:  
☐ 80% ☐ 70% ☐ 60% ☐ 50%  
☐ 40% ☐ 30% ☐ 20%

Household Income exceeds  
140% at recertification:  
☐ Yes ☐ No

If Applicable, Current Federal Bond  
Income Limit per Family Size:

\$

Unit Meets State Deeper  
Targeting Income Restriction  
at:

Household Size at Move-in:

Household Income as of Move-in:

\$

☐ Other \_\_\_\_\_%

**PART VI. RENT**

Tenant Paid Monthly Rent:

\$

Federal Rent Assistance:

\$

\*Source: \_\_\_\_\_

Monthly Utility Allowance:

\$

Non-Federal Rent Assistance:

\$

(\*0-8)

Other Monthly Non-optional charges:

\$

**Total Monthly Rent Assistance:** \$

**GROSS MONTHLY RENT FOR UNIT:**  
(Tenant paid rent plus Utility Allowance &  
other non-optional charges)

\$

\*Source of Federal Assistance

1 \*\*HUD Multi-Family Project Based Rental Assistance (PBRA)

2 Section 8 Moderate Rehabilitation

3 Public Housing Operating Subsidy

4 HOME Rental Assistance

5 HUD Housing Choice Voucher (HCV), tenant-based

6 HUD Project-Based Voucher (PBV)

7 USDA Section 521 Rental Assistance Program

8 Other Federal Rental Assistance

0 Missing

Maximum Federal LIHTC Rent Limit for  
this unit:

\$

If Applicable, Maximum Federal & State  
LIHTC Bond Rent Limit for this unit:

\$

Unit Meets Federal Rent Restriction at:

☐ 60% ☐ 50%

Or Federal A.I.T. at:

☐ 80% ☐ 70% ☐ 60%  
☐ 50% ☐ 40% ☐ 30%  
☐ 20%

\*\* (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation;  
Section 8 Loan Management; Section 8 Property Disposition; Section 202  
Project Rental Assistance Contracts (PRAC)

If Applicable, Unit Meets Bond Rent  
Restriction at:

☐ 60% ☐ 50%

Unit Meets State Deeper  
Targeting Rent Restriction at:

☐ Other: \_\_\_\_\_%

**PART VII. STUDENT STATUS**

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ Yes ☐ No

If yes, Enter student explanation\*  
(also attach documentation)

Enter  
1-5

\*Student Explanation:

1 AFDC / TANF Assistance

2 Job Training Program

3 Single Parent/Dependent Child

4 Married/Joint Return

5 Former Foster Care

**PART VIII. PROGRAM TYPE**

Identify the program(s) for which this household's unit will be counted toward the property's occupancy requirements.

**Select one of the following.**

- ☐ 9% Allocated Federal Housing Tax Credit  
☐ 4% Allocated Federal Housing Tax Credit  
☐ Tax-Exempt Bond Only (No tax credits)

**Select all that apply.**

- ☐ HOME (including TCAP)  
☐ CDBG  
☐ Other HUD, including 202, 811, and 236  
☐ National Housing Trust Fund  
☐ USDA Rural Housing Service, including 514, 515, and 538  
☐ Other state or local housing programs

**SIGNATURE OF OWNER/REPRESENTATIVE**

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE



## PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

TENANT DEMOGRAPHIC PROFILE						
HH Mbr #	Last Name	First Name	Middle Initial	Race	Ethnicity	Disabled
1						
2						
3						
4						
5						
6						
7						

### The Following Race Codes should be used:

- 1** – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2** – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” apply to this category.
- 3** – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4** – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
- 4a – Asian India                      4e – Korean  
4b – Chinese                          4f – Vietnamese  
4c – Filipino                          4g – Other Asian  
4d – Japanese
- 5** – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
- 5a – Native Hawaiian                      5c – Samoan  
5b – Guamanian or Chamorro              5d – Other Pacific Islander

**6** – Other

**7** – Did not respond. (Please initial below)

**Note:** Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 41 – Asian & White, etc.

### The Following Ethnicity Codes should be used:

- 1** – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- 2** – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 3** – Did not respond. (Please initial below)

### Disability Status:

**1** – Yes

If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions>.
- “Handicap” does not include current, illegal use of or addiction to a controlled substance.
- An individual shall not be considered to have a handicap solely because that individual is a transgender.

**2** – No

**3** – Did not respond (Please initial below)

☐ **Resident/Applicant:** I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) \_\_\_\_\_  
(HH#)            1.                      2.                      3.                      4.                      5.                      6.                      7.

# **INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION**

*This form is to be completed by the owner or an authorized representative.*

## **Part I - Development Data**

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification's, this effective date should be no later than one year from the effective date of the previous (re)certification.
Move-In Date	Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
TCAC#	Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2010-123
BIN #	Enter the building number assigned to the building (from IRS Form 8609).
Address	Enter the physical address of the building, including street number and name, city, state, and zip code.
If applicable, CDLAC#	If project is awarded 4% bonds please enter the project number assigned to the property by CDLAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: 16-436
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.
Square Footage	Enter the square footage for the entire unit.
Vacant Unit	Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011.

## **Part II - Household Composition**

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following definitions:

H	Head of Household	S	Spouse	U	Unborn Child/Anticipated
A	Adult Co-Tenant	O	Other Family Member		Adoption or Foster
C	Child	F	Foster child(ren)/adult(s)		
L	Live-in Caretaker	N	None of the above		

Date of Birth	Enter each household member's date of birth.
Student Status	Check FT for Full-time student, PT for Part-time student, or N/A if household member is not a student and question does not apply.
Last Four Digits of Social Security Number	For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

### Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

### Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. If individual household member income is provided, list the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
TOTALS	Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

Row (K)	Enter the greater of the total in Column (I) or (J)	
Row (L)	Total Annual Household Income From all Sources	Add (E) and (K) and enter the total

### HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

### Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Federal LIHTC Income Limit per Unit Meets Federal Income Restriction at 60%, 50% or A.I.T (20% - 80%)	Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 60%, 50% or A.I.T (20% - 80%) set aside.
Current Bond Income Limit per Family Size	Enter the Current most restrictive Move-in Income Limit for the household size – specifically, the max income limit incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.

Household Income at Move-in	For recertifications only. Enter the household income from the move-in certification.
Household Size at Move-in	Enter the number of household members from the move-in certification.
Current Federal LIHTC Income Limit x 140%	For recertifications only. Multiply the current LIHTC Maximum Move-in Income Limit by 140% and enter the total. <b>140% is based on the Federal Set-Aside of 20/50 or 40/60, or A.I.T. (20% - 60% = 140% X 60%, 70% = 140% X 70% and 80% = 140% X 80%) as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc.</b> Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the LIHTC Income Limit per Family Size at Move-in date (above), then the available unit rule must be followed.
Unit Meets Federal Income Restriction at or Federal A.I.T. at	Check the appropriate box for the income restriction that the household meets according to what is required by the federal set-aside(s) for the project.
Unit Meets State Deeper Targeting Income Restriction at	If your agency requires an income restriction lower than the federal limit, enter the percent required.

#### Part VI - Rent

Tenant Paid Monthly Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Federal Rent Assistance	Enter the amount of rent assistance received from a federal program, if any.
Non-Federal Rent Assistance	Enter the amount of non-federal rent assistance received, if any.
Total Monthly Rent Assistance	Enter the amount of total rent assistance received, if any.
Source of Federal Rent Assistance	If federal rent assistance is received, indicate the single program source.
Monthly Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other Monthly Non-Optional Charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Monthly Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount.
Maximum LIHTC Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50%, 60% or A.I.T. (20% - 80%) set aside. This does not include state deeper targeting levels.
Maximum LIHTC Bond Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.
Unit Meets Federal Rent Restriction at or Federal A.I.T. at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal set-aside(s) for the project.
Unit Meets Bond Rent Restriction at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal and state law for the project.
Unit Meets State Deeper Targeting Rent Restriction at	If your agency requires a rent restriction lower than the federal limit, enter the percent required.

#### Part VII - Student Status

If all household members are full time\* students, check “yes”. Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check “no.”

If “yes” is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

## Part VIII – Program Type

Select the program(s) for which this household's unit will be counted toward the property's occupancy requirements. One response from the first column must be selected.

### SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

### PART IX. SUPPLEMENTAL INFORMATION

*Complete this portion of the form at move-in and at recertification's (only if household composition has changed from the previous year's certification).*

Tenant Demographic Profile

Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.

Resident/Applicant Initials

All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Agency-Specific Waiver</b>
<b>Waiver Description: 24 CFR 982. 516 and 982 Subpart E and 983 - Allow use of Tenant Income Certification (TIC) for PBV eligibility determination at Initial Lease-up and Reexamination.</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
This activity waives certain provisions of 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to determine and recertify income eligibility for residents of LIHTC units receiving PBV assistance. Owners of PBV units that receive LIHTC will provide a copy of the TIC form to determine PBV initial eligibility and reexamination for continued occupancy. This activity will impact all household types in the HCV program that reside in PBV units in which the owner receives LIHTC. This activity will enhance coordination with owners of LIHTC units in the PBV program that will result in reduced time to lease vacant PBV units and will decrease the administrative burden associated to eliminate the need for tenants to submit duplicative verification documents.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input type="checkbox"/> Self-sufficiency. <input type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The waiver applies only to new and currently assisted households in PBV units with LIHTC.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
This waiver applies to all family types
<b>Please select the family types subject to this MTW activity.</b>
All family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
HACSC anticipates that this proposed waiver is cost neutral and will not impact agency costs.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC anticipates that this proposed waiver will not impact the amount of time families wait on the waiting list.
<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

HACSC anticipates that this proposed waiver will not impact the agency's termination rate of families.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>
HACSC anticipates that this proposed waiver will not impact the agency's current utilization rate in the HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
This proposed waiver will support the MTW statutory goal of cost effectiveness self-by providing enhancing the coordination between PBV owners with LIHTC, prospective tenants and residents of these units, and HACSC. This waiver will provide efficiency to obtain the necessary verification of income and assets needed at initial eligibility and continued occupancy.
<b>Impact on the agency's ability to meet the MTW statutory requirements;</b>
HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

<b>Agency-Specific Waiver</b>
<b>1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 360 days.</b>
<b>Waive: 24 CFR 982.455 Automatic termination of HAP contract.</b> The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 360 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<p>This MTW activity serves the following statutory objectives:</p> <p><input checked="" type="checkbox"/> Cost effectiveness</p> <p><input checked="" type="checkbox"/> Self-sufficiency</p>
<p><b>This initiative achieves one or more of the 3 MTW above statutory objectives by:</b></p> <p>This activity promotes the MTW statutory goals of self-sufficiency and cost effectiveness. The extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.</p>
<p><b>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</b><input checked="" type="checkbox"/>to all assisted households</p>
<p>A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:</p> <p><input checked="" type="checkbox"/>Currently assisted households only</p>
<p>A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:</p> <p><input checked="" type="checkbox"/>all family types</p>
<p>An MTW activity can apply to a tenant-based and or project-based voucher.</p> <p><input checked="" type="checkbox"/>The MTW activity applies to all properties with project-based vouchers.</p>



**This MTW activity has the following cost implications:**

☒ Neutral

**The implementation timeline for the initiative is:**

Upon approval of MTW Supplement, approval of revised Administrative Plan and training of staff.

This MTW activity does require an impact analysis.

**Hardship:** No households will be adversely affected by this MTW activity. The proposed activity allows families whose incomes have increased to the point that their rent is affordable without subsidy and who are no longer receiving any rental subsidy to have additional time before the automatic termination of their contract.

**Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered will be inserted after public hearing.**

No comments were received at the public hearing.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Agency-Specific Waiver</b>
<b>Waiver Description: 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 360 days.</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 360 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input checked="" type="checkbox"/> Self-sufficiency. <input type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The waiver applies only to currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
This waiver applies to all family types
<b>Please select the family types subject to this MTW activity.</b>
All family types.
<b>Impact on the agency's finances (e.g. how much will the activity cost, and any change in the agency's per family contributions.)</b>
HACSC anticipates that this proposed waiver is cost neutral and will not impact agency costs.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs. The proposed waiver is directly specifically to households whose incomes have increased to the point where they are not receiving any subsidy whatsoever. The increase in time before automatic termination of the HAP contracts provides an additional safety net in case the family experiences a decrease in income and needs to resume receiving rental assistance.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist.)</b>
HACSC anticipates that this proposed waiver will not impact the amount of time families wait on the waiting list.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency.)</b>
HACSC anticipates that this proposed waiver may prevent some families from being terminated from the program in the case of decreases in income.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program.</b>
HACSC anticipates that to the extent this proposed waiver prevents families from being terminated, it would not result in reductions to the utilization rate of the HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice.</b>
This proposed waiver will support the MTW statutory goal of self-sufficiency by providing incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<b>Impact on the agency's ability to meet the MTW statutory requirements.</b>
HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact.)</b>
HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

## H. Public Comments

No public comments were received.

On February 9, 2023 the Housing Authority posted the following materials for public comment:

- Draft 2023 Agency Plan
- Draft Section 8 Housing Choice Voucher Program Administrative Plan
- Overview of 2023 Section 8 Administrative Plan Changes
- Draft MTW Supplement for PHA Fiscal Year Beginning 07.01.2023 inclusive of all attachments (Hardship Policies, Impact Analyses, Agency-Specific Waivers, and Safe Harbor Waivers)

The HACSC invited written comments on the Draft 2023 Agency Plan, Draft Section 8 Housing Choice Voucher Administrative Plan, and Draft MTW Supplement inclusive of Agency and Safe Harbor Waivers. Comments were to be directed to the Housing Authority of the County of Santa Cruz, Annual Plan Comments, ATTN: Executive Director, 2160 41st Avenue, Capitola, CA 95010. Comments could also be submitted via email to [housing@hacosantacruz.org](mailto:housing@hacosantacruz.org).

**The deadline for comments was 4:00 p.m. Tuesday, March 28, 2023.**

On **Wednesday, March 29, 2023** there was a general public hearing followed by a hearing for MTW Agency Specific and Safe Harbor Waivers:

An in-person general public hearing was held at the HACSC Administrative Office, 2170 41st Avenue, Capitola CA on **Wednesday, March 29, 2023 at 11:00 a.m.**, followed immediately by an in-person Agency and Safe Harbor Waiver hearing also held HACSC Administrative Office, 2170 41st Avenue, Capitola CA on **Wednesday, March 29, 2023 at 11:30 a.m.**

### Summary of Public Comments:

The Housing Authority received no public comments on the MTW Supplement, Agency Specific Waivers, or Safe Harbor Waivers.