



## **FY 2022 Moving To Work (MTW) Supplement to PHA Annual Plan Public Notice**

Housing Connect (HC) is requesting public review and comment on HC's Fiscal Year 2022 Moving to Work (MTW) Supplement of the Annual PHA Plan. The MTW Supplement also includes a proposed Agency-Specific Waiver and three Safe Harbor Waivers. The public comment period will extend from March 22, 2022 – May 5, 2022.

During the public comment period, HC residents, HC program participants and members of the general public are invited to participate in a public meeting to review the MTW Supplement, answer questions and receive comments. There will be two such meetings – one in the afternoon and one in the evening. If you have a disability and require an alternative form of communication please submit your request 72 hours prior to the meeting date(s) to [mtimmerman@housingconnect.org](mailto:mtimmerman@housingconnect.org), or 801-284-4485.

**Wednesday, April 27, 2022 (2:00 PM Mountain Time)**  
**Join Zoom Meeting @**

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You are invited to a Zoom webinar.

When: April 27, 2022 2:00 PM Mountain Time (US and Canada)

Topic: Housing Connect - MTW Supplement Public Comment Session #1

Register in advance for this webinar:

[https://us02web.zoom.us/webinar/register/WN\\_oCT53UJT8evl6VL9ZwwNg](https://us02web.zoom.us/webinar/register/WN_oCT53UJT8evl6VL9ZwwNg)

After registering, you will receive a confirmation email containing information about joining the webinar.

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**and**

**Tuesday, May 3, 2022 (6:00 PM Mountain Time)**  
**Join Zoom Meeting @**

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You are invited to a Zoom webinar.

When: May 3, 2022 6:00 PM Mountain Time (US and Canada)

Topic: Housing Connect - MTW Supplement Public Comment Session #2

Register in advance for this webinar:

[https://us02web.zoom.us/webinar/register/WN\\_NhV-IaCuQiyEmvtLQRYaMA](https://us02web.zoom.us/webinar/register/WN_NhV-IaCuQiyEmvtLQRYaMA)

After registering, you will receive a confirmation email containing information about joining the webinar.

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In each case, an additional public meeting on HC's proposed Agency-Specific MTW Waiver and Safe Harbor Waivers will take place immediately after the conclusion of the MTW Supplement public meeting at the same location.

Following the public comment period, HC residents, HC program participants and members of the general public are invited to participate in a **public hearing** to review the MTW Supplement, answer questions and receive comments:

**Friday, May 6, 2022 /10:00 AM (Mountain Time)**  
Join Zoom Meeting

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You are invited to a Zoom webinar.

When: May 6, 2022 10:00 AM Mountain Time (US and Canada)

Topic: Housing Connect - MTW Supplement Public Hearing

Register in advance for this webinar:

[https://us02web.zoom.us/webinar/register/WN\\_wDB5\\_wAKQ0aVPaLqV6FStQ](https://us02web.zoom.us/webinar/register/WN_wDB5_wAKQ0aVPaLqV6FStQ)

After registering, you will receive a confirmation email containing information about joining the webinar.

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An additional public hearing on HC's proposed Agency-Specific MTW Waiver and Safe Harbor Waivers will take place immediately after the conclusion of the MTW Supplement hearing at the same location.

HC will consider all comments received during the public comment period and at the public hearing and may modify the MTW Supplement and related materials in response to public comments. The HC Board of Commissioners will meet on Wednesday May 18, 2022 at 11:30 AM MST at HC's Main Office located at 3595 S. Main Street, Salt Lake City, Utah 84115 to take action on the MTW Supplement including the Agency-Specific Waiver and Safe Harbor Waivers. The meeting is open to the public.

The FY 2022 Moving to Work Supplement to the Annual PHA Plan and related documents including the proposed Agency-Specific Waiver and Safe Harbor Waivers are available for review at HC's Main Office during normal business hours and are also available for review and download online at:

[www.housingconnect.org/resources/](http://www.housingconnect.org/resources/). All written comments and/or questions should be sent to Housing Connect, Attention: Marni Timmerman, 3595 S. Main Street, Salt Lake City, Utah 84115 or e-mailed to [mtimmerman@housingconnect.org](mailto:mtimmerman@housingconnect.org). Written comments must be received by the close of the public comment period.



3595 South Main Street,  
Salt Lake City, UT 84115

[www.housingconnect.org](http://www.housingconnect.org)

O: 801-284-4400

TDD: 801-284-4407

F: 801-284-4406

Reasonable Accommodations:  
801-284-4439

## **Moving To Work (MTW) DRAFT-Supplement to Annual PHA Plan Fiscal Year 2022-2023**

Housing Connect (HC) is requesting public review and comment on HC's Fiscal Year 2022-2023 Moving To Work (MTW) Supplement to the Annual PHA Plan and related policy materials. The MTW Supplement also includes a proposed Agency-Specific Waiver and three Safe Harbor Waivers. The public comment period will extend from March 22, 2022 through May 5, 2022. The following documents comprise the MTW Supplement and are included herein:

1. MTW Supplement (HUD Form 50075-MTW)
2. Stepped Rent Hardship Policy
3. Agency-Specific Waiver Request: Alternative Verification Hierarchy
4. Safe Harbor Waiver Request: Alternative Reexamination Schedule for Households Activities 3.a. & 3.b.
5. Safe Harbor Waiver Request: Self-Certification of Assets Activities 3.c. & 3.d.
6. Safe Harbor Waiver Request: Elimination of PBV Selection Process (HCV) Activity 9.c.
7. Quality Assurance Method: Rent Reasonableness Activity 2.d.
8. Quality Assurance Method: Third-Party Requirement Activity 5.c.
9. Proposed Stepped Rents
10. Impact Analysis (Stepped Rent, Alternative Utility Allowance)



# 1. MTW Supplement (HUD Form 50075-MTW)





# **PHA Name : Salt Lake County (Housing Connect)**

**PHA Code : UT003**

**MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 7/1/2022**

**PHA Program Type: Combined**

**MTW Cohort Number: 2**

**MTW Supplement Submission Type: Annual Submission**

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

The Housing Authority of the County of Salt Lake dba Housing Connect (HC) is committed to MTW's 3 statutory objectives of achieving greater cost effectiveness in federal expenditures, increasing self-sufficiency and increasing housing choice for low-income families. MTW flexibility will support our agency mission to connect people and communities to quality affordable housing opportunities while promoting self-sufficiency and neighborhood revitalization.

Housing Connect will implement activities to further this mission and support the 3 statutory objectives as well over the course of its 20 year term of participation in the MTW program. Long term plans as well as short-term plans and outcomes will be described in MTW Supplements to the PHA Annual Plan and 5 Year Plan. Housing Connect has a strong and dedicated Board, competent staff along with invested Stakeholders in our community to guide and support new initiatives. Most importantly is the role of current residents; through regular feedback meetings with residents and our Resident Advisory Board we will continue to seek input and suggestions to guide our successes.

To begin Aug 1, 2022 Housing Connect will implement a stepped rent policy for qualified Housing Choice Voucher (HCV) and Public Housing (PH) households. The rent policy will increase the family's rent payment/TTP on a fixed schedule in both frequency and amount. The fixed schedule/stepped rent policy will be disaggregated from family income allowing a family to keep more of their increased income therefore giving incentives to working families and providing opportunities to increase their self-sufficiency. One component of the rent model will include a triennial re-examination schedule. This change along with streamlining paperwork and functions where feasible will better utilize federal dollars.

Some of the functions Housing Connect plans to simplify or streamline include a simplified utility allowance, a self-certification of assets up to \$50,000, and increased flexibility to streamline income verification. These changes will provide transparency for households and reduce administrative cost and time.

Housing Connect plans to implement the pre-qualification of unit inspections for up to 90 days of a participant occupying a unit, and plans to perform HQS inspections on PBV units that it owns, manages, and/or controls. Housing Connect's goal is to increase cost effectiveness by expediting the lease-up process. This change will free up staff time so that there are additional resources available to focus on cost effectiveness measures, self-sufficiency efforts, and increasing household's housing choice.

To increase cost effectiveness, HC will eliminate the selection process in the award of PBVs to properties owned by Housing Connect that are not public housing without engaging in an initiative to improve, develop, or replace a public housing property or site. This process will increase efficiency resulting in cost effectiveness. HC will use its expanded ability to increase the project-base voucher cap in order to spur development of Permanent Supportive Housing (PBV) properties and increase housing in underserved parts of Salt Lake County (SLCO), including areas of opportunity.

Housing Connect understands that self-sufficiency looks different for each household. HC ensures residents can maintain assisted housing and have support and resources to successfully move out of assisted housing where appropriate. HC plans to modify its Family Self-Sufficiency program and give increased incentives to families whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Housing Connect is excited to have the opportunity to partner with HUD to implement innovative ways to best serve our local community.

**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>	
c. Stepped Rent (PH)	Plan to Implement in the Submission Year
d. Stepped Rent (HCV)	Plan to Implement in the Submission Year
i. Alternative Utility Allowance (PH)	Plan to Implement in the Submission Year
j. Alternative Utility Allowance (HCV)	Plan to Implement in the Submission Year
<b>2. Payment Standards and Rent Reasonableness</b>	
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)	Plan to Implement in the Submission Year
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Plan to Implement in the Submission Year
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
<b>4. Landlord Leasing Incentives</b>	
<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Plan to Implement in the Submission Year
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
<b>6. Short-Term Assistance</b>	
<b>7. Term-Limited Assistance</b>	
<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
<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
<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
d.PH Modify or Eliminate the Contract of Participation (PH)	Plan to Implement in the Submission Year
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Plan to Implement in the Submission Year
e.PH Policies for Addressing Increases in Family Income (PH)	Plan to Implement in the Submission Year
e.HCV Policies for Addressing Increases in Family Income (HCV)	Plan to Implement in the Submission Year
<b>11. MTW Self-Sufficiency Program</b>	
<b>12. Work Requirement</b>	
<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	
<b>14. Moving on Policy</b>	
<b>15. Acquisition without Prior HUD Approval (PH)</b>	
<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	
<b>17. Local, Non-Traditional Activities</b>	
c. Housing Development Programs	Plan to Implement in the Submission Year

**C. MTW Activities Plan that Salt Lake County (Housing Connect) Plans to Implement in the Submission Year or Is Currently Implementing**

<b>1.c. - Stepped Rent (PH)</b>
As part of the cohort-specific Rent Reform study, Housing Connect will implement a stepped rent model for qualified Public Housing (PH) households as outlined by HUD in the Stepped Rent Policy. The rent model will increase the family's rent payment/TTP on a fixed schedule in both frequency and amount. The fixed schedule/stepped rent model will be disaggregated from family income allowing a family to keep more of their increased income therefore giving incentives to working families and providing opportunities to increase their self-sufficiency.

<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness</p> <p>Self-sufficiency</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households</p>
<p>This MTW activity applies to:</p> <p>New admissions and currently assisted households</p>
<p>An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).</p> <p>The MTW activity applies only to selected family types</p>
<p>This MTW activity applies to the following Public Housing developments: Harmony Park Apts (South Main)</p> <p>Union Plaza</p> <p>Midvale Solar (Sunset Gardens)</p> <p>Erin Meadows</p> <p>Granger Apartments</p>
<p>n/a</p>
<p>This MTW activity requires a Hardship Policy. The Hardship Policy is attached.</p>
<p>Attached Hardship policy applies to: 1.c. - Stepped Rent (PH)</p> <p>1.d. - Stepped Rent (HCV)</p> <p>3.a. - Alternative Reexamination Schedule for Households (PH)</p> <p>3.b. - Alternative Reexamination Schedule for Households (HCV)}</p>
<p>No hardship were requested in the most recent fiscal year.</p>
<p>In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency</p> <p>Received 0 hardship requests</p> <p>Approved hardship requests</p> <p>Denied hardship requests</p> <p>There is\are hardship requests pending.</p>
<p>This MTW activity requires an Impact Analysis. The Impact Analysis is attached.</p>
<p>The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:</p> <p>1.c. - Stepped Rent (PH)</p> <p>1.d. - Stepped Rent (HCV)</p> <p>3.a. - Alternative Reexamination Schedule for Households (PH)</p> <p>3.b. - Alternative Reexamination Schedule for Households (HCV)</p>
<p>The Stepped Rent policy will increase tenant rents annually by an amount unrelated to each household's income. The annual stepped rent increase will be a specific dollar amount, by unit size. Housing Connect plans to set rent increases at 2% of Fair Market Rent based on unit size and leave it fixed for the 6-year study period. For households with 5 bedrooms and larger subsidies, Housing Connect will have an annual step increase of less than 2% of FMR to accommodate larger households and prevent a negative financial impact.</p> <p>Housing Connect's annual step increases are as follows:</p> <p>0 Bedroom: \$19</p> <p>1 Bedroom: \$23</p> <p>2 Bedroom: \$27</p> <p>3 Bedroom: \$37</p> <p>4 Bedroom: \$42</p> <p>5+ Bedroom: \$48</p> <p>Current households will start out paying rent equal to 30% of their total retrospective annual adjusted income or a minimum rent of \$50 (whichever is larger). After year 1, each household's rent will increase by the established amount (with exceptions for hardships).</p> <p>New admission households will start out paying rent equal to their total current adjusted income or a minimum rent of \$50 (whichever is larger). After year 1, each household's rent will increase by the established amount (with exceptions for hardships). At the triennial income reexamination, Housing Connect will document household income and any changes in household composition. However, the triennial income reexamination will not affect the household's rent.</p>



A household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total annual adjusted income and for other circumstances outlined in our Hardship Policy. The hardship rent will equal 40% of the household's current/anticipated total annual adjusted income. The hardship rent will last for 12 months and can be renewed as needed. More detail is available in our attached Hardship Policy.

If a Public Housing household's income is over the income limit at the first recertification following study enrollment or at a subsequent triennial eligibility check, the standard over-income procedures are triggered. PHA measures income the following year. Over-income rent rules supersede the stepped rent policy. The "last step" in public housing is when the household's TTP reaches the flat rent.

Please see the attached stepped rent schedule.

If a household progresses all the way through the stepped rent schedule,  
Other\Not Applicable.

Standard over-income rules in PH will apply if the family is paying the flat rent at the end of the stepped rent schedule. If the family is not paying the full contract rent, they will continue to receive a subsidy.

#### 1.d. - Stepped Rent (HCV)

As part of the cohort-specific Rent Reform study, Housing Connect will implement a stepped rent model for qualified Housing Choice Voucher (HCV) households as outlined by HUD in the Stepped Rent Policy. The rent model will increase the family's rent payment/TTP on a fixed schedule in both frequency and amount. The fixed schedule/stepped rent model will be disaggregated from family income allowing a family to keep more of their increased income therefore giving incentives to working families and providing opportunities to increase their self-sufficiency.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity serves the following statutory objectives:

Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households

This MTW activity applies to:

New admissions and currently assisted households

An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).

The MTW activity applies only to selected family types

This MTW activity applies to the following housing choice voucher unit types: This MTW activity applies to the following housing choice voucher unit types: All tenant-based units and/or properties with project-based vouchers (PBVs) with the exception of PBVs in Permanent Supportive Housing (PSH). Households in PBVs in PSH require essential supportive services and have met specific eligibility criteria attached with the PBV. Details regarding eligibility criteria for Permanent Supportive Housing can be found in Housing Connect's Administrative Plan.

n/a

This MTW activity requires a Hardship Policy. The Hardship Policy is attached.

Attached Hardship policy applies to: 1.c. - Stepped Rent (PH)

1.d. - Stepped Rent (HCV)

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

3.b. - Alternative Reexamination Schedule for Households (HCV)}

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

This MTW activity requires an Impact Analysis. The Impact Analysis is attached.

The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:

1.c. - Stepped Rent (PH)

1.d. - Stepped Rent (HCV)

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

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



The Stepped Rent policy will increase tenant rents annually by an amount unrelated to each household's income. The annual stepped rent increase will be a specific dollar amount, by unit size. Housing Connect plans to set rent increases at 2% of Fair Market Rent based on unit size and leave it fixed for the 6-year study period. For households with 5 bedrooms and larger subsidies, Housing Connect will have an annual step increase of less than 2% of FMR to accommodate larger households and reduce a negative financial impact.

Housing Connect's annual step increases are as follows:

0 Bedroom: \$19  
1 Bedroom: \$23  
2 Bedroom: \$27  
3 Bedroom: \$37  
4 Bedroom: \$42  
5+ Bedroom: \$ 48

Current households will start out paying rent equal to 30% of their total retrospective annual adjusted income or a minimum rent of \$50 (whichever is larger). After year 1, each household's rent will increase by the established amount (with exceptions for hardships and triennial income reexaminations).

New admission households will start out paying rent equal to their total current adjusted income or a minimum rent of \$50 (whichever is larger). After year 1, each household's rent will increase by the established amount (with exceptions for hardships and triennial income reexaminations).

At the triennial income reexamination, Housing Connect will document household income and any changes in household composition. However, the triennial income reexamination will not affect the household's rent.

A household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total adjusted income and for other circumstances outlined in our Hardship Policy. The hardship rent will equal 40% of the household's current/anticipated total annual adjusted income. The hardship rent will last for 12 months and can be renewed as needed. More detail is available in our attached Hardship Policy.

If an HCV household's current gross income is over 120% of AMI at the first recertification following study enrollment or at a subsequent triennial eligibility check, this designates the household as zero-HAP. The household gets a 180 day zero HAP grace period. At the end of that grace period, the household exits the voucher program. However, if the zero-HAP rent (or a loss of income) causes a rent burden above 40% of current gross income, the household can request and receive a hardship. A hardship would halt the HCV termination process. Please see the attached stepped rent schedule.

If a household progresses all the way through the stepped rent schedule

Other\Not Applicable.

At the end of the stepped rent schedule the 180 day-rule of zero HAP will apply and the family will be terminated/graduated from the program at the end of the 180-day period. If the family is not paying the full contract rent, they will continue to receive a subsidy.

#### 1.i. Alternative Utility Allowance (PH)

Housing Connect proposes to modify the utility allowance by calculating by bedroom size as opposed to building type. The utility allowance will be calculated based on the number of bedrooms in the unit or the voucher size, whichever is lower. The change in calculation will simplify the process for households seeking housing options to determine if the unit is affordable and it will eliminate the processing burden for Housing Connect's staff of determining the utility allowance amount for a specific unit.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity serves the following statutory objectives:

Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests

Approved hardship requests
Denied hardship requests
There is\are hardship requests pending.
The utility allowance is based on utility surveys and analysis of the type of structure, bedroom size appliances provided by the tenant, and type of appliances (gas/electric). The simplified schedule is based on the analysis of data collected from HC's existing portfolio including the most common structure and utility types. This new utility allowance schedule will be used and implemented at new admission, change of unit, or upon the annual or triennial certification.

<b>1.j. - Alternative Utility Allowance (HCV)</b>
Housing Connect proposes to modify the utility allowance by calculating by bedroom size as opposed to building type. The utility allowance will be calculated based on the number of bedrooms in the unit or the voucher size, whichever is lower. The change in calculation will simplify the process for households seeking housing options to determine if the unit is affordable and it will eliminate the processing burden for Housing Connect's staff of determining the utility allowance amount for a specific unit.
This MTW activity serves the following statutory objectives: Cost effectiveness
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The utility allowance is based on utility surveys and analysis of the type of structure, bedroom size appliances provided by the tenant, and type of appliances (gas/electric). The simplified schedule is based on the analysis of data collected from HC's existing portfolio including the most common structure and utility types. This new utility allowance schedule will be used and implemented at new admission, change of unit, or upon the annual or triennial certification.

<b>2.d. - Rent Reasonableness – Third-Party Requirement (HCV)</b>
HC will use MTW flexibility to eliminate the requirement for a third party to conduct rent reasonableness on HC-owned or HC-controlled units assisted with project-based or tenant-based vouchers. HC currently has a third party determine rent reasonableness on HC units, despite the fact that many of these units are subject to rent restrictions due to other funding sources such as RAD PBV rent restrictions. HC incurs cost and additional staff time to have these determinations done by a third party.
HC will be implementing this activity within the safe harbor limits established by the MTW Operations including the following: HC will establish and make available a quality assurance method to ensure impartiality. HC will 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. As needed and by Department request, HC will obtain services of a third-party entity to determine rent reasonableness for PHA-owned units. This waiver is part of HC's overall goals to use MTW flexibility to streamline and reduce costs.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests

<p>Approved hardship requests</p> <p>Denied hardship requests</p> <p>There is\are hardship requests pending.</p>
<p>Following will explain quality assurance method:</p> <p>For quality assurance, HC's rent reasonable process will include using rent comparables generated by the third party company AffordableHousing.com to identify comparable units. Rent reasonableness determinations will be performed by an HC staff person who is trained on HCV and PBV rent reasonableness regulations. To ensure the consistency and uniformity of these determined Rent Reasonables for a particular unit, HC supervisory staff shall perform quality control (QC) reviews on a random sample of completed Rent Reasonable's in accordance with the policies described in the Administrative Plan and consistent with SEMAP QC protocol. This process will be performed on all units including HC-owned or HC-controlled units assisted with project-based or tenant-based vouchers. and attached for quality assurance method</p>
<p>Following will explain rent reasonableness determination method:</p> <p>HC uses the third party company AffordableHousing.com (formerly GoSection8) to generate rent comparables for the HCV and PBV programs. The AffordableHousing.com software generates a minimum of 3 unassisted rent comparables for the subject unit, matching the unit characteristics and taking into account the location, size, type, quality, amenities, facilities, and the management and maintenance of each unit; this approach is similar to that used by property appraisers, and determines if the owner's requested rent is reasonable. A unit that does not meet Rent Reasonableness using the method above will be denied unless an adjustment is made to the rent amount in order to be subsidized. and attached for rent reasonableness determination method</p>

<b>3.a. - Alternative Reexamination Schedule for Households (PH)</b>
<p>Housing Connect plans to implement triennial reexaminations for non-elderly and non-disabled PH households in the test group for the stepped rent study. Triennial reexaminations will result in a reduction in staff collecting, verifying, and processing data. Streamlined reexaminations will also save tenants/participants time and cost in regards to complying with the annual recertification documentation requirements. The anticipated outcome from this change is that families will have an incentive to increase their income as they will be able retain 100% of their additional earnings versus paying 30% of those earnings towards rent. One component of the process will be adopting a Release of Information that extends the expiration date from 15 to 40 months to align with the timing of the triennial recertification/eligibility check vs. using form HUD-9886 that is only valid for 15 months. These processes will reduce administrative burden and increase cost effectiveness.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness</p> <p>Self-sufficiency</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households</p>
<p>This MTW activity applies to:</p> <p>New admissions and currently assisted households</p>
<p>An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).</p> <p>The MTW activity applies only to selected family types</p>
<p>This MTW activity applies to the following Public Housing developments: Harmony Park Apts (South Main)</p> <p>Union Plaza</p> <p>Midvale Solar (Sunset Gardens)</p> <p>Erin Meadows</p> <p>Granger Apartments</p>
n/a
<p>This MTW activity requires a Safe Harbor Waiver.</p> <p>The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).</p>
<p>This MTW activity requires a Hardship Policy. The Hardship Policy is attached.</p>
<p>Attached Hardship policy applies to: 1.c. - Stepped Rent (PH)</p> <p>1.d. - Stepped Rent (HCV)</p> <p>3.a. - Alternative Reexamination Schedule for Households (PH)</p> <p>3.b. - Alternative Reexamination Schedule for Households (HCV)}</p>
<p>No hardship were requested in the most recent fiscal year.</p>



In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities: 1.c. - Stepped Rent (PH) 1.d. - Stepped Rent (HCV) 3.a. - Alternative Reexamination Schedule for Households (PH) 3.b. - Alternative Reexamination Schedule for Households (HCV)
Recertification Schedule is Once every three years
Household may request 0 interim recertifications per year.
In accordance with policies established for the Rent Reform demonstration, families who are selected for the test group of the Stepped Rent policy will have triennial re-examinations. Changes in family/household circumstances under the alternative reexamination schedule will be addressed with the Stepped Rent Hardship Policy in lieu of an interim reexamination.

<b>3.b. - Alternative Reexamination Schedule for Households (HCV)</b>
Housing Connect plans to implement triennial reexaminations for non-elderly and non-disabled HCV households in the test group for the stepped rent study. Triennial reexaminations will result in a reduction in staff collecting, verifying, and processing data. Streamlined reexaminations will also save tenants/participants time and cost in regards to complying with the annual recertification documentation requirements. The anticipated outcome from this change is that families will have an incentive to increase their income as they will be able retain 100% of their additional earnings versus paying 30% of those earnings towards rent. One component of the process will be adopting a Release of Information that extends the expiration date from 15 to 40 months to align with the timing of the triennial recertification/eligibility check vs. using form HUD-9886 that is only valid for 15 months. These processes will reduce administrative burden and increase cost effectiveness.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: New admissions and currently assisted households
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other). The MTW activity applies only to selected family types
This MTW activity applies to the following housing choice voucher unit types: This MTW activity applies to the following housing choice voucher unit types: All tenant-based units and/or properties with project-based vouchers (PBVs) with the exception of PBVs in Permanent Supportive Housing (PSH). Households in PBVs in PSH require essential supportive services and have met specific eligibility criteria attached with the PBV. Details regarding eligibility criteria for Permanent Supportive Housing can be found in Housing Connect's Administrative Plan.
n/a
This MTW activity requires a Safe Harbor Waiver. The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
Attached Hardship policy applies to: 1.c. - Stepped Rent (PH) 1.d. - Stepped Rent (HCV) 3.a. - Alternative Reexamination Schedule for Households (PH) 3.b. - Alternative Reexamination Schedule for Households (HCV)}
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests



Approved hardship requests Denied hardship requests There is/are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities: 1.c. - Stepped Rent (PH) 1.d. - Stepped Rent (HCV) 3.a. - Alternative Reexamination Schedule for Households (PH) 3.b. - Alternative Reexamination Schedule for Households (HCV)
Recertification Schedule is Once every three years
Household may request 0 interim recertifications per year.
In accordance with policies established for the Rent Reform demonstration, families who are selected for the test group of the Stepped Rent policy will have triennial re-examinations. Changes in family/household circumstances under the alternative reexamination schedule will be addressed with the Stepped Rent Hardship Policy in lieu of an interim reexamination.

<b>3.c. - Self-Certification of Assets (PH)</b>
Self-Certification of Assets will allow families to self-certify assets received up to \$50,000 at admission and recertification. Housing Connect will decrease the reporting burden on families by no longer requesting bank statements, or verifying stocks and bonds, \$50,000 or less. This change will also significantly reduce Housing Connect's staff administrative burden in collecting and processing data and eliminate the tenant/participant having to pay the bank charges for bank statements. This activity will allow for greater cost effectiveness.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
This MTW activity requires a Safe Harbor Waiver. The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is/are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

<b>3.d. - Self-Certification of Assets (HCV)</b>
Self-Certification of Assets will allow families to self-certify assets received up to \$50,000 at admission and recertification. Housing Connect will decrease the reporting burden on families by no longer requesting bank statements, or verifying stocks and bonds, \$50,000 or less. This change will also significantly reduce Housing Connect's staff administrative burden in collecting and processing data and eliminate the tenant/participant having to pay the bank charges for bank statements. This activity will allow for greater cost effectiveness.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
This MTW activity requires a Safe Harbor Waiver. The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).



No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

<b>5.a. - Pre-Qualifying Unit Inspections (HCV)</b>
Housing Connect plans to allow pre-qualifying unit inspections (also known as a pre-inspection) with the goal to increase cost effectiveness by expediting the lease-up process. The pre inspection will be conducted within 90 days of the participant occupying the unit. An interim inspection will be made available based on need/request and HQS standards will not be altered.
This MTW activity serves the following statutory objectives: Cost effectiveness Housing choice
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The pre-inspection is valid for 90 days.

<b>5.c. - Third-Party Requirement (HCV)</b>
This waiver will allow Housing Connect (HC) to perform HQS inspections on PBV units that it owns, manages, and/or controls. All such inspections will be conducted using HQS standards found at 24 CFR 982.401. To ensure the consistent and uniform application of HQS standards, HC supervisory staff will conduct quality control inspections on a random sample of units in accordance with the Inspection Quality Assurance Method included as an attachment. Program participants may request an interim inspection by contacting HC in accordance with the policies described in the Administrative Plan. If requested by HUD, HC will obtain the services of a third-party entity to determine if HC owned units pass HQS. This activity helps support the HC goal to streamline program administration and promote timely lease-up of PBV units.
This MTW activity serves the following statutory objectives: Cost effectiveness
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
n/a
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The quality assurance method: Following will explain the quality assurance method – The included attachment will outline Housing Connect’s quality assurance method. If [Upload file] options- Display 'Attached for quality assurance method'



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

Under this activity, Housing Connect plans to increase the number of authorized units that it project-bases to spur development of Permanent Supportive Housing (PBV) properties and increase housing choice in underserved parts of Salt Lake County, including areas of opportunity. Housing Connect plans to approve up to 35% of authorized HCV units to be project based.

This MTW activity serves the following statutory objectives:  
Housing choice

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

35.00% of total authorized HCV units will be authorized for project-basing.

**9.b. - Increase PBV Project Cap (HCV)**

Under this activity, HC may eliminate or raise the existing cap on the number of units within a project and allow up to 100% of units in a project to be placed under a PBV Housing Assistance Payments contract. HC may eliminate or raise the project cap for those PBV projects that the agency determines to be consistent with the goal of increasing housing choice for Housing Choice Voucher program participants. HC may eliminate or raise the project cap for projects located in Salt Lake County including but not limited to underserved areas and areas of opportunity. HC will continue to be subject to the applicable provisions of PIH Notice 2013-28 or successor notices. This activity supports the goal of increasing housing choice.

This MTW activity serves the following statutory objectives:  
Housing choice

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

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

Under this activity, Housing Connect will eliminate the selection process in the award of PBV's to properties owned by Housing Connect that are not public housing without engaging in an initiative to improve, develop, or replace a public housing property or site. Housing Connect's goal for this request is to increase cost effectiveness by eliminating this process and increase housing choice.

HC will be requesting a Safe Harbor Waiver for this activity for 9.c.iii. Please note that HC has requested a waiver under 5.c. that will allow HC to inspect PHA-owned PBV units. In the event that HUD determines that the 5.c. waiver does not apply to PBV units selected under 9.c.iii, HC is submitting this safe harbor waiver request to conform to the requirements of the Operations Notice and will be implementing this activity with all other safe harbor limits established by the MTW

Operations Notice including: A subsidy layering review will be conducted, HC will complete site selection requirements and the property will be owned by a single-asset entity of the agency.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Housing choice

This MTW activity serves the following statutory objectives:

Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is/are hardship requests pending.

#### **10.d.PH - Modify or Eliminate the Contract of Participation (PH)**

HC intends to use MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. HC will employ a locally developed agreement/contract in lieu of the FSS Contract of Participation (COP) (HUD-52650) that codifies the terms of participation. These terms will encourage participation and successful completion of the program. Main tenets of the program or specific changes to be outlined in the local agreement include, but are not limited to:

- Eliminating the traditional FSS escrow calculation and replacing it with a Pay Points system, whereby participants earn escrow credits by completing goals, each of which has an escrow payment value. Pay points accrue on the first day of the month following verification of completion of an established milestone; For example, if a milestone was verified on February 15, the pay points would accrue on March 1;
- Revising the conditions for payment of escrow to reflect a certification from the head of household that the family is welfare free as well as verification that the contract lead has obtained suitable employment. Welfare free is defined as not receiving cash maintenance payments from Federal or state welfare programs. Food stamps will not be considered welfare assistance. The entire family must be welfare free;
- Providing that welfare free means at the time of graduation and removing the requirement to be welfare free for 12 months as a condition for successful graduation from FSS;
- Establishing a work requirement for graduation from FSS which includes suitable employment. Suitable employment will be defined and agreed upon by the participant and HC at the onset of the contract and will reflect employment which is consistent with their Individual Training and Service Plan (ITSP);
- Removing automatic contract completion when 30 percent of the family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies;
- Allowing any adult member of an eligible FSS family to sign the Contract and work to complete the individualized training and services plan, not just the head of household; there will be one Contract per family;
- Preparing local versions of the Contract of Participation and Individual Training and Services Plans to reflect HC's FSS program enhancements and changes;
- Allowing re-enrollment one year after the first graduation; however, only allowing one additional reenrollment; so that a family may only participate in FSS a total of two times and;
- Providing that non-compliance with FSS program rules and/or termination from the HCV program will result in forfeiture of escrow.

Current FSS participants will be given the option of completing their FSS COP under the traditional FSS program or converting their participation to the MTW Enhanced FSS program. Existing participants who convert to the MTW Enhanced FSS program will retain any previously accrued escrow.



Housing Connect will have all modifications outlined in an approved FSS Action Plan in accordance with 24 CFR 984.201. Housing Connect will be implementing this activity within the safe harbor limits established by the MTW operations notice.

This MTW activity serves the following statutory objectives:  
Self-sufficiency

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is/are hardship requests pending.

#### **10.d.HCV - Modify or Eliminate the Contract of Participation (HCV)**

HC intends to use MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. HC will employ a locally developed agreement/contract in lieu of the FSS Contract of Participation (COP) (HUD-52650) that codifies the terms of participation. These terms will encourage participation and successful completion of the program. Main tenets of the program or specific changes to be outlined in the local agreement include, but are not limited to:

- Eliminating the traditional FSS escrow calculation and replacing it with a Pay Points system, whereby participants earn escrow credits by completing goals, each of which has an escrow payment value. Pay points accrue on the first day of the month following verification of completion of an established milestone; For example, if a milestone was verified on February 15, the pay points would accrue on March 1;
- Revising the conditions for payment of escrow to reflect a certification from the head of household that the family is welfare free as well as verification that the contract lead has obtained suitable employment. Welfare free is defined as not receiving cash maintenance payments from Federal or state welfare programs. Food stamps will not be considered welfare assistance. The entire family must be welfare free;
- Providing that welfare free means at the time of graduation and removing the requirement to be welfare free for 12 months as a condition for successful graduation from FSS;
- Establishing a work requirement for graduation from FSS which includes suitable employment. Suitable employment will be defined and agreed upon by the participant and HC at the onset of the contract and will reflect employment which is consistent with their Individual Training and Service Plan (ITSP);
- Removing automatic contract completion when 30 percent of the family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies;
- Allowing any adult member of an eligible FSS family to sign the Contract and work to complete the individualized training and services plan, not just the head of household; there will be one Contract per family;
- Preparing local versions of the Contract of Participation and Individual Training and Services Plans to reflect HC's FSS program enhancements and changes;
- Allowing re-enrollment one year after the first graduation; however, only allowing one additional reenrollment; so that a family may only participate in FSS a total of two times and;
- Providing that non-compliance with FSS program rules and/or termination from the HCV program will result in forfeiture of escrow.

Current FSS participants will be given the option of completing their FSS COP under the traditional FSS program or converting their participation to the MTW Enhanced FSS program. Existing participants who convert to the MTW Enhanced FSS program will retain any previously accrued escrow.



Housing Connect will have all modifications outlined in an approved FSS Action Plan in accordance with 24 CFR 984.201. Housing Connect will be implementing this activity within the safe harbor limits established by the MTW operations notice.

This MTW activity serves the following statutory objectives:  
Self-sufficiency

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

#### **10.e.PH - Policies for Addressing Increases in Family Income (PH)**

HC plans to modify its Family Self-Sufficiency program and give increased incentives to families whose heads of household are working, seeking work, participating in job training, educational or other self-sufficiency milestones. Housing Connect will eliminate the traditional FSS escrow calculation and replace it with a Pay Points system, whereby participants earn escrow credits by completing goals, each of which has an escrow payment value.

Housing Connect has adopted the Social Determinants of Health as a core framework to focus current and future activities, initiatives, and housing development efforts. The Pay Points system prioritizes Housing Stability, Financial Health, Food Quality & Stability, Education Connection, Health Access & Connection, and Community Connection. Collectively, the priority determinants identify the holistic impact Housing Connect seeks to make for those served.

Housing Connect understands that self-sufficiency looks different for each household. HC ensures residents can maintain assisted housing and have support and resources to successfully move out of assisted housing where appropriate.

This MTW activity serves the following statutory objectives:  
Self-sufficiency

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

Following is how increased earnings is treated: Housing Connect's MTW Enhanced FSS program will eliminate the traditional FSS escrow calculation. Increases in income will not be factored into the escrow calculation and will not automatically result in escrow accrual. Instead, households will have the opportunity to earn escrow through the completion of program milestones called Pay Points. Households will earn cash incentives for achieving specific pre-established self-sufficiency milestones. Cash incentives will be held in an escrow account and will be available for interim disbursement or at the successful completion of the program.

#### **10.e.HCV - Policies for Addressing Increases in Family Income (HCV)**

HC plans to modify its Family Self-Sufficiency program and give increased incentives to families whose heads of household are working, seeking work, participating in job training, educational or other self-sufficiency milestones. Housing Connect will eliminate the traditional FSS escrow calculation and replace it with a Pay Points system, whereby participants earn escrow credits by completing goals, each of which has an escrow payment value.



Housing Connect has adopted the Social Determinants of Health as a core framework to focus current and future activities, initiatives, and housing development efforts. The Pay Points system prioritizes Housing Stability, Financial Health, Food Quality & Stability, Education Connection, Health Access & Connection, and Community Connection. Collectively, the priority determinants identify the holistic impact Housing Connect seeks to make for those served.

Housing Connect understands that self-sufficiency looks different for each household. HC ensures residents can maintain assisted housing and have support and resources to successfully move out of assisted housing where appropriate.

This MTW activity serves the following statutory objectives:  
Self-sufficiency

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

Following is how increased earnings is treated: Housing Connect's MTW Enhanced FSS program will eliminate the traditional FSS escrow calculation. Increases in income will not be factored into the escrow calculation and will not automatically result in escrow accrual. Instead, households will have the opportunity to earn escrow through the completion of program milestones called Pay Points. Households will earn cash incentives for achieving specific pre-established self-sufficiency milestones. Cash incentives will be held in an escrow account and will be available for interim disbursement or at the successful completion of the program.

#### 17.c. - Housing Development Programs

Under this activity, HC may utilize MTW funding to acquire, renovate and/or build affordable housing units that are not public housing for low-income families including housing that meets HUD requirements for MTW "local, non-traditional housing" as defined in HUD PIH Notice 2011-45 or successor notices. HC may utilize this activity to provide gap financing (grants or loans) to affordable housing developments including, but not limited to, PBV developments, Low Income Housing Tax Credit developments and/or other eligible development activities, subject to approval by the HC Board of Commissioners. HC may expend MTW funds including Public Housing Operating or Capital Funds, Housing Assistance Payments and/or HCV Administrative Fee reserves on such activities provided that HC shall not expend more than 10% of its Housing Assistance Payments budget on local, non-traditional activities including this housing development activity.

In implementing this activity, HC shall: 1) ensure that families assisted meet the HUD definition of "low-income"; 2) comply with PIH Notice 2011-45 as applicable; 3) comply with Section 30 of the US Housing Act of 1937; and, 4) Competitively bid any MTW funding awarded through this activity to a third-party provider. HC has provided summary information on one potential project for funding under this activity; however other projects may also be considered subject to approval of the HC Board of Commissioners.

This activity supports the goals to increase housing choices for low-income households and to leverage additional funds for affordable housing development.

This MTW activity serves the following statutory objectives:  
Cost effectiveness  
Housing choice

This MTW activity serves the following statutory objectives:  
Neutral (no cost implications)  
Increased revenue

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

n/a

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Salt Lake County (Housing Connect) MTW agency

Received 0 hardship requests  
 Approved hardship requests  
 Denied hardship requests  
 There is/are hardship requests pending.

**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
Sunset Gardens	New Construction	Gap Financing	89.00	89.00	0.00	71.00	18.00	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

**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

**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

<b>D.</b>	<b>Safe Harbor Waivers.</b>
<b>D.1</b>	<b>Safe Harbor Waivers seeking HUD Approval:</b> Please see attached for Safe Harbor Waivers requested this year.

<b>E.</b>	<b>Agency-Specific Waiver(s).</b>
<b>E.1</b>	<b>Agency-Specific Waiver(s) for HUD Approval:</b> <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, Agency-Specific Waivers may be requested.</p> <p>Please see attached for Agency-Specific Waiver(s) requested this year.</p>
<b>E.2</b>	<b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b> <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.

<b>Federal Fiscal Year (FFY)</b>	<b>Total Operating Subsidy Authorized Amount</b>	<b>How Much PHA Disbursed by the 9/30 Reporting Period</b>	<b>Remaining Not Yet Disbursed</b>	<b>Deadline</b>
2021	\$1,627,200	\$1,627,200	\$0	2021-12-31
2022				



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

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

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

Family Size:	Household Size
1 Person	
2 Person	
3 Person	
4 Person	
5 Person	
6+ Person	
Totals	0

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

I.	Evaluations
Yes - This table lists evaluations of Salt Lake County (Housing Connect)'s MTW activities, including the names of evaluators and available reports	

**Table I.1 - Evaluations of MTW Policies**

Title and short description	Evaluator name and contact information	Time period	Reports available
Stepped and Tiered Rent Demonstration. Housing Connect's participation in the second cohort of the MTW Expansion will evaluate alternative rent policies designed to increase resident self-sufficiency and reduce PHA administrative burdens. Housing Connect will be studying a Stepped Rent model. An independent research team lead by MDRC will work with HUD, Housing Connect, and the other selected PHAs to assist in implementation and evaluate the effects of the alternative rent policy.	James Riccio, Principal Investigator James.Riccio@mdrc.org	Evaluation will be conducted over a 6 year period: August 1, 2022-July 31, 2028	n/a



## 2. Stepped Rent Hardship Policy



**STEPPED RENT  
HARDSHIP POLICIES  
DRAFT DATE: 3-31-2022**

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## HOUSING CONNECT MTW HARDSHIP POLICY

### GENERAL HARDSHIP POLICIES

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

Housing Connect (HC) has developed conditions-based hardship policies as described below to address and mitigate financial hardships which may occur at enrollment or at any time during tenancy or program participation. HC's general hardship policies are outlined below:

- HC will review its hardship policies with families during intake and recertification and will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity.
- There is no limit to the number of hardships that a household may receive.
- If a household is approved for a hardship, and subsequently experiences another adverse event while still in hardship status, they may request an additional hardship that might further reduce their TTP.
- If a household is approved for a hardship, they are not required to report subsequent income increases during the period of their approved hardship. Once HC approves a hardship, the hardship will not end early.
- If a household is approved for a temporary hardship, when that hardship is scheduled to expire the household will be notified and may request an extension. When a hardship expires, the household will return to paying the stepped rent, including any annual stepped rent increases that were scheduled to take effect during the hardship period.
- If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the stepped rent and return to the traditional income-based rent policy.

This hardship policy presents eligibility criteria and remedies for different types of hardships. The different types of hardships below are not mutually exclusive. If a household's circumstances correspond to more than one type of hardship, they will receive the hardship most beneficial to them.

The table below identifies the hardship policy and the related Operations Notice waiver which requires establishment of a hardship policy.

### HARDSHIP POLICY APPLICABILITY TABLE

No	Hardship Policy	Treatment *	Control **	Excluded ***	Waivers
1.	Hardship Process	X	X	X	
2.	Rent Burden Hardship at Enrollment	X			1c 1d
3.	Rent Burden Hardship after Enrollment	X			1c 1d
4.	Stepped Rent Reset for Sustained	X			1c

No	Hardship Policy	Treatment *	Control **	Excluded ***	Waivers
	Hardships				1d
5.	Full-Time Student Hardship	X			1c 1d
6.	Alternative Verification Hierarchy	X	X	X	Agency Specific
7.	Other Hardship	X		X	N/A

**\* Treatment Group:** Non-elderly, non-disabled households who were not excluded and who were randomly selected to have their rent calculated using the Stepped Rent method. This includes randomly selected existing participants as well as randomly selected new admissions during the initial enrollment period.

**\*\* Control Group:** Non-elderly, non-disabled households who were not excluded and who were randomly selected to have their rent calculated in accordance with standard Housing Choice Voucher and Public Housing program regulations

**\*\*\* Excluded Group:** All elderly, disabled, traditional FSS, households with special purpose vouchers and households who become or will become elderly or disabled during the 6-year demonstration. Where special purpose vouchers are concerned, HC will apply MTW policies to the extent that such policies are not in conflict with the applicable NOFA. In the event of a conflict, the NOFA will govern.

## HARDSHIP PROCESS

Households who request a hardship will be subject to the hardship process outlined below.

- With the exception of automatic hardship processed by HC, during the income certification that takes place at enrollment, hardship requests must be made in writing.
- When a household makes a written request for a hardship exemption from a required MTW activity, HC will request verification of the hardship. When a household submits a valid hardship request, the HC will suspend the MTW activity for the household, beginning the next month after the request, until HC has determined if the hardship request is warranted.
- The hardship TTP will be calculated consistent with applicable HC hardship policies.
- HC will retain records of all hardship requests received and the results of these requests and supply them at HUD's request. HC will retain this information for the duration of HC's participation in the MTW demonstration program and make such information available for public review and inspection at HC's principal office during normal business hours.
- If a hardship request is denied, HC will provide the household with an opportunity to request an informal review/hearing for a second level review of the denied hardship request.
- Approved hardship rents will remain in place for a twelve-month period at which time the household must reapply for hardship. If the household does not reapply or is not approved for a continued hardship, the rent will revert back to the pre-hardship stepped rent TTP, plus any annual stepped rent TTP increases that were scheduled to take effect during the hardship period.

## RENT BURDEN HARDSHIP AT ENROLLMENT

For households already receiving assistance, HC conducts an income examination at the time of enrollment in the Stepped Rent program. HC will compare the household's current adjusted income with their prior/retrospective adjusted income. If the household's current adjusted income is lower than their

prior/retrospective adjusted income, HC will automatically determine whether the household is eligible for a temporary hardship exemption.

**Request:**

- Hardship requests do not need to be made at enrollment. HC will automatically determine if a hardship, due to a decrease in income exists.

**Eligibility:**

- A household will be eligible for this hardship if, at enrollment, the household's current adjusted income is lower than their prior/retrospective adjusted income and their rent burden exceeds 40% (stepped rent total tenant payment divided by current adjusted monthly income)
- This hardship would not apply to households with seasonal income as the income calculation for seasonal income takes into account periods of unemployment.

**Remedy:**

- The household's TTP will be set at 40% of their current adjusted monthly income or the minimum rent, whichever is greater

**Time Frame:**

- The hardship will remain in place for a twelve-month period.
- At the end of that twelve-month period, if the household requests that the hardship be extended and the verified hardship condition continues to exist, HC will reset the household's stepped rent and the hardship will end.
- If the household does not reapply for the hardship or is not approved for a stepped rent reset, the stepped rent will revert back to the pre-hardship stepped rent TTP plus any annual stepped rent increases that were scheduled to take effect during the hardship period.

**Example #1: Rent Burden at Enrollment – Decrease in Income – Qualifies for Hardship**

This household, at enrollment in Stepped Rent, has a prior yr./retrospective adjusted income of \$12,000. They had no applicable deductions. One of the household members lost a job and the household is now reporting a current adjusted income of \$5,000. The household qualifies for the temporary hardship because the rent burden exceeds 40%. The calculations are outlined below and reflect income and expenses at the time of enrollment into Stepped Rent.

- Prior/ Retrospective Adjusted Income: \$12,000
- Stepped Rent TTP based on prior/retrospective adjusted income: \$300
  - $\$12,000/12 = \$1,000$  is the adjusted monthly income
  - $\$1,000 \times 30\% = \$300$  is the stepped rent TTP at enrollment
- Current Annual Adjusted Income: \$5,000
- Current Monthly Adjusted Income: \$417
  - Current annual adjusted income divided by 12
  - $\$5,000/12 = \$417/\text{month}$
- Rent Burden: 72%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$300 / 417 = 72\%$
- Household qualifies for hardship: The household is rent burdened.
- Hardship TTP: \$167



- 40% of Current Monthly Adjusted Income
- $\$416.67 \times 40\% = \$166.66$

## **RENT BURDEN HARDSHIP AFTER ENROLLMENT**

Households already receiving assistance under Stepped Rent will be eligible for a temporary hardship TTP if the stepped rent causes a rent burden of 40% or higher. This hardship may be due to a decrease in income, an increase in eligible deductions or the annual stepped rent increase.

### **Request:**

- A hardship due to rent burden must be requested, in writing, by the household.

### **Eligibility:**

- A household will be eligible for this hardship exemption if their rent burden (total tenant payment divided by their current adjusted monthly income) exceeds 40%.
- Rent burden may be the result of a decrease in income, an increase in eligible deductions or may be due to the application of annual stepped rent increases.
- This hardship would not apply to households with seasonal income as the income calculation for seasonal income takes into account periods of unemployment.

### **Remedy:**

- The household's hardship TTP will be set at 40% of their current adjusted monthly income or the minimum rent, whichever is greater

### **Time Frame:**

- The hardship will remain in place for a twelve-month period.
- At the end of that twelve-month period, if the household requests that the hardship be extended and the verified hardship condition continues to exist, HC will reset the household's stepped rent and the hardship will end. Rent reset, as a result of continued hardship, is based upon verification that the household meets the 40% rent burdened threshold.
- If the household does not reapply for the hardship or is not approved for a stepped rent reset, the stepped rent will revert back to the pre-hardship stepped rent TTP plus any annual stepped rent increases that were scheduled to take effect during the hardship period.

## **Example #2: Rent Burden - Decrease in Income – Qualifies for Hardship**

This family experienced a decrease in income due to a job loss. The pre-hardship prior/retrospective income was \$9,000. At the time of hardship request, the household reported current annual income of \$1,500. The household had no eligible deductions. The household qualifies for a temporary hardship because the rent burden exceeded 40%. The calculations are outlined below.

- Pre-Hardship Prior/Retrospective Income: \$9,000
- Stepped Rent TTP based on prior/retrospective adjusted income: \$225
  - $\$9,000 / 12 = \$750$  is the adjusted monthly income
  - $\$750 \times 30\% = \$225$  is the household's current stepped rent TTP
- Current Annual Adjusted Income: \$1,500
- Current Monthly Adjusted Income: \$125
  - Current annual adjusted income divided by 12

- $\$1,500 / 12 = \$125$
- Rent Burden: 240%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$300 / 125 = 240\%$
- Household qualifies for hardship: The household is rent burdened.
- Hardship TTP: \$167
  - 40% of Current Monthly Adjusted Income
  - $\$125 \times 40\% = \$50$

### **Example #3: Rent Burden - Decrease in Income – Does not Qualify for Hardship**

This family experienced a decrease in income due to a job loss. The pre-hardship prior/retrospective income was \$9,000 and at the time of hardship request, the household reported current adjusted income of \$7,500. The household did not qualify for a temporary hardship because their rent burden did not exceed 40%. The calculations are outlined below.

- Pre-Hardship Prior/Retrospective Income: \$9,000
- Stepped Rent TTP based on prior/retrospective adjusted income: \$225
  - $\$9,000 / 12 = \$750$  is the adjusted monthly income
  - $\$750 \times 30\% = \$225$  is the household's current stepped rent TTP
- Current Annual Adjusted Income: \$7,500
- Current Monthly Adjusted Income: \$625
  - Current annual adjusted income divided by 12
  - $\$7,500 / 12 = \$625$
- Rent Burden: 36%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$225 / 625 = 36\%$
- Household does not qualify for hardship: The household is NOT rent burdened.

### **Example #4: Rent Burden – Increase in Eligible Deductions – Qualifies for Hardship**

A household of two had a baby 18 months after they started stepped rent. The household now has a dependent deduction and unreimbursed childcare expenses to enable the head of household to continue working. The pre-hardship, prior/retrospective adjusted income was \$30,000 and the household had no deductions. At the time of the hardship request, the household reported that their income was still \$30,000 and they had unreimbursed childcare expenses of \$8,000. The household qualifies for a temporary hardship because their rent burden exceeds 40%. The calculations are outlined below.

- Pre-Hardship Prior/Retrospective Income: \$30,000
- Stepped Rent TTP based on prior/retrospective adjusted income: \$750
  - $\$30,000 / 12 = \$2,500$  is the adjusted monthly income
  - $\$2,500 \times 30\% = \$750$  is the household's current stepped rent TTP
- Current Annual Adjusted Income: \$21,520
  - Current annual income minus unreimbursed childcare expenses minus dependent deduction
  - $\$30,000 - \$8,000 - \$480 = \$21,520$

- Current Monthly Adjusted Income: \$1,793.33
  - Current annual adjusted income divided by 12
  - $\$21,520 / 12 = \$1,793.33$
- Rent Burden: 41.8%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$750 / \$1,793.33 = 41.8\%$
- Household qualifies for hardship: The household is rent burdened.
- Hardship TTP: \$717
  - 40% of Current Monthly Adjusted Income
  - $\$1,793.33 \times 40\% = \$717.33$

#### **Example #5: Rent Burden – Increase in Eligible Deductions – Does Not Qualify for Hardship**

A household of two gained custody of their two daughters age 14 and 15. The household now has two dependent deductions. The pre-hardship, prior/retrospective adjusted income was \$30,000 and the household had no deductions. At the time of the hardship request, the household reported that their income was still \$30,000; however they were requesting a rent burden hardship and wanted the dependent deductions applied. The household had two stepped rent increases of \$27 each, applied prior to requesting the hardship. The household DOES NOT qualify for a temporary hardship because their rent burden does not exceed 40%. The calculations are outlined below.

- Pre-Hardship Prior/Retrospective Income: \$30,000
- Stepped Rent TTP based on prior/retrospective adjusted income + stepped rent increases: \$804
  - $\$30,000 / 12 = \$2,500$  is the adjusted monthly income
  - $\$2,500 \times 30\% = \$750$
  - $\$750 + \$54^* = \$804$  (\*\$54 is made up of two \$27 stepped rent increases)
- Current Annual Adjusted Income: \$29,040
  - Current annual income minus unreimbursed childcare expenses minus dependent deduction
  - $\$30,000 - \$960 = \$29,040$
- Current Monthly Adjusted Income: \$2,420
  - Current annual adjusted income divided by 12
  - $\$29,040 / 12 = \$2,420$
- Rent Burden: 33.2%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$804 / \$2,420 = 33.2\%$
- Household does not qualify for hardship: Household is NOT rent burdened

#### **STEPPED RENT RESET FOR SUSTAINED HARDSHIPS**

If a household receives a temporary hardship due to a rent burden above 40%, and the hardship condition persists after 12 consecutive months, HC will reset the household's stepped rent and determine a new stepped rent TTP which is the higher of the minimum rent or 30% of prior/retrospective adjusted income. Rent reset, as a result of continued hardship, is based upon verification that the household meets the 40% rent burdened threshold.



HC has determined that resetting the stepped rent TTP 1) will enable families to increase income going forward without a corresponding rent increase, and 2) it will reduce HC's administrative burden by eliminating the need for ongoing annual hardship reviews.

**Request:**

- A request to renew an existing hardship must be requested, in writing, by the household.

**Eligibility:**

- If the hardship condition continues to exist **12 consecutive months** after receiving a temporary rent burden hardship, a household will be eligible for a stepped rent TTP reset.

**Remedy:**

- HC will calculate a new stepped rent TTP at the higher of the minimum rent or 30% of prior/retrospective adjusted income.

**Time Frame:**

- This will not be a temporary hardship; the resulting will establish a new base on which future stepped rent annual increases will be applied.

**Example #6: Rent Reset for Sustained Hardship**

A family has a hardship TTP of \$717 for twelve months. While their income has increased slightly from \$30,000 to \$32,000, they now have unreimbursed childcare expenses of \$10,000. Prior to the hardship TTP, the family's stepped rent TTP was \$750. Since one year has passed a stepped rent increase of \$24 is added. The family reapplies for hardship. HC verifies that the family's hardship conditions continue to exist and they are still rent burdened. The family qualifies for a stepped rent reset as a result of the sustained hardship. The calculations are outlined below.

- Pre-Hardship Stepped Rent TTP: \$750
  - Stepped rent increase plus pre-hardship TTP
  - $\$24 + \$750 = \$774$
- Hardship TTP: \$717
  - 40% of Current Monthly Adjusted Income
  - $\$1,793.33 \times 40\% = \$717.33$

**Example #7: At Request to Continue the Hardship**

- Prior/Retrospective Adjusted Annual Income: Adjusted Income: \$32,000
  - Current annual income minus unreimbursed childcare expenses minus dependent deduction
  - $\$32,000 - \$10,000 - \$480 = \$21,520$
- Prior/Retrospective Adjusted Monthly Income: \$1,793.33
  - Prior/retrospective adjusted monthly income divided by 12
  - $\$21,520 / 12 = \$1,793.33$
- Rent Burden: 43.1%:
  - Stepped Rent TTP (including stepped rent increase) / Current Monthly Adjusted Income
  - $\$774 / \$1,793.33 = 43.1\%$
- Household remains rent burdened and is eligible for stepped rent reset
- Reset Stepped Rent: \$538
  - 30% of prior/retrospective adjusted monthly income
  - $30\% \times \$1,793.33 = \$537.99$

## **FULL-TIME STUDENT HARDSHIP**

HC will grant a full-time student status hardship rent, to a household, if a family member, other than the head of household, co-head or spouse, has earned income and, subsequent to enrollment, becomes a full-time student. Upon verification of full-time student status, HC will exclude all but \$480 of the full-time student's earned income, include a \$480 dependent deduction and calculate the hardship rent at 40% of current/adjusted monthly income.

### **Request:**

- A hardship due to full-time student status, must be requested, in writing, by the household.

### **Eligibility:**

- A household will be eligible for this hardship exemption if the household's current adjusted monthly income, with the full-time student income exclusion and dependent deduction, results in a rent burden (total tenant payment divided by their current adjusted monthly income) exceeds 40%.

### **Remedy:**

- If a hardship exists, the hardship TTP will be set using 40% of current/adjusted monthly income or the minimum rent, whichever is greater.

### **Time Frame:**

- The hardship will remain in place for a twelve-month period after which the family must reapply for the hardship and provide verification of full-time student status.
- If the family does not reapply and provide verification of full-time student status, the stepped rent TTP will revert to the pre-hardship stepped rent TTP plus any applicable stepped rent increases.
- Changes in student status do not need to be reported during the approved 12 month hardship period. When and if the household reapplies for the full-time student hardship, if the individual is no longer a full-time student, HC will reinstate the pre-hardship stepped rent plus any applicable stepped rent increases.

### **Example: #8 – Full-Time Student Hardship**

A family has a pre-hardship prior/retrospective income at enrollment of \$27,000 which included earned income from two household members. One of those household member's enrolls in school full-time and continues working. The household applies for the full-time student hardship. As a result of removal of all but \$480 of the full-time student's earned income and after applying the dependent deduction, the hardship TTP is less than the current stepped rent TTP. Accordingly, the household is eligible for the full-time student hardship. The calculations are outlined below.

- Pre-Hardship Prior/Retrospective Income: \$27,000
- Stepped Rent TTP based on prior/retrospective adjusted income: \$675
  - $\$27,000 / 12 = \$2,250$  is the adjusted monthly income
  - $\$2,250 \times 30\% = \$675$  is the household's current stepped rent TTP
- Current Annual Adjusted Income: \$18,520
  - Current annual income minus all but \$480 of FT student income minus dependent deduction
  - $\$27,000 - \$8,000 - \$480 = \$18,520$
- Current Monthly Adjusted Income: \$1,543.33
  - Current annual adjusted income divided by 12
  - $\$18,520 / 12 = \$1,543.33$

- Rent Burden: 44%:
  - Stepped Rent TTP / Current Monthly Adjusted Income
  - $\$675 / 1,543 = 44\%$
- 
- Hardship TTP: \$617
  - Current Monthly Adjusted Income x 40%
  - $\$1,543.33 \times 40\% = \$617$

#### **ALTERNATIVE VERIFICATION HIERARCHY HARDSHIP**

If a household does not agree with an income and rent determination which may be predicated upon the use of third party documents and tenant declarations outside of the HUD standard Verification Hierarchy, the household may request an informal hearing as a second level of review of HC's determinations. HC will follow its existing policies upon receipt of the household's request for an informal hearing.

#### **OTHER HARDSHIP**

A household may request a hardship exemption for other circumstances not outlined above, such as the death of a family member, a significant increase in reasonable and necessary out-of-pocket expenses because of changed circumstances (for example, a large medical bill), or if the household is facing eviction due to inability to pay the rent. HC will consider these requests on a case-by-case basis and decisions will be made by the Department Director level or above.

#### **Eligibility:**

- The Department Head or his/her designee will determine that circumstances beyond the household's control make it difficult for the household to pay the stepped rent TTP, and a temporary rent reprieve is necessary.

#### **Remedy:**

- HC will review the household's current/anticipated income and determine whether to set a hardship TTP or apply the \$50 minimum rent based on the individual hardship.

#### **Time Frame:**

- The duration of the hardship rent will be determined on a case-by-case basis which will reflect the anticipated duration of the presented hardship.



### 3. Agency-Specific Waiver Request: Alternative Verification Hierarchy





**Housing Connect  
Agency Specific Waiver Request  
Alternative Verification Hierarchy  
Supplement FY 22-23**

Under the Moving to Work (MTW) Operations Notice, MTW agencies are allowed to request Agency-Specific Waivers for activities that are not specially included in Appendix I of the Operations Notice. Housing Connect (HC) is proposing to implement the following activity in both the Public Housing and Housing Choice Voucher (HCV) programs pursuant to an Agency-Specific Waiver.

**1. Description of Activity**

This activity will waive provisions of HUD PIH Notice 2018-18 and successor notices to allow HC to utilize an alternative, streamlined method to verify household member income for all Public Housing residents and HCV program participants (including both tenant-based and project-based programs). HC intends to implement this alternative method to streamline program administration and reduce administrative burdens to benefit both clients and the agency. While HC intends to apply the alternative verification hierarchy across the board to its Public Housing and HCV programs, this waiver will also support implementation of the Cohort #2 alternative rent policy evaluation initiative described in the MTW Supplement by facilitating the determination of retrospective income amounts.

This method has 3 changes to the current verification method:

- a. Alter the verification hierarchy to the following:

Level	Verification Technique	Ranking
1	Upfront Income Verification using HUD's EIV & IVT	Highest (Mandatory)
2	Upfront Income Verification using non-HUD system	Highest (Optional)
3	Written Third Party Verification Or Written Third Party Verification Form Or Oral Third Party Verification	High (Mandatory) <ul style="list-style-type: none"><li>• Supplements EIV and UIV</li><li>• Also used for:<ul style="list-style-type: none"><li>○ Non-EIV/UIV reported income sources</li><li>○ Disputes of EIV reported information</li></ul></li></ul>
4	Self-Certification	High (Optional) <ul style="list-style-type: none"><li>• To supplement EIV when EIV reported sources do not contain verification of the full retrospective period where applicable; or</li><li>• When tenant cannot produce written third party verification documents.</li></ul>

- b. Extend the time that verifications are valid: for applicants, verifications may not be more than 180 days old at the time of voucher issuance or Public Housing move in. For tenants and participants, verifications for reexaminations may not be more than 180 days from the effective date. This policy is applicable when HC is verifying current/anticipated income.
- c. In the case of fixed income verifications for applicants, tenants and participants (e.g., Social Security award letters, fixed pensions, etc.), verifications are valid for the full calendar year in which they are effective.

These changes to the verification method will reduce cost and achieve greater cost effectiveness in federal expenditures by decreasing administrative time spent on the verification process while still gathering appropriate information. PHA staff will be able to move through the verification levels more efficiently to provide proficient service to clients and reduce duplicate work. Extending the amount of time verifications are valid for will save time by not re-requesting verification from applicants, tenants and participants that has fallen out of date, but is still an accurate reflection of their current situation.

## **2. Relationship to MTW Statutory Objectives**

This activity supports the MTW objective of cost effectiveness by simplifying and streamlining the verification of income sources while also providing for accurate calculations.

## **3. Cost Implications**

This is a cost/revenue neutral activity.

## **4. Implementation timeline**

HC projects that the alternative verification hierarchy will begin to be used in concert with the timeline for initial implementation of the Cohort #2 alternative rent policy evaluation initiative.

## **5. Populations Groups and Household Types Impacted by Activity**

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

## **6. Impact Analysis**

See attached

## **7. Hardship Policy**

As the new method will simplify and streamline the income verification process, it is not projected to create any hardships for residents. Public Housing residents and HCV program participants may



request a grievance/informal hearing to dispute the calculations used to determine income and rent. HC will follow its applicable policies on grievances/hearings.

#### **8. Public Comments**

To be provided after public comment period.

**Housing Connect  
Agency Specific Waiver Request  
Alternative Verification Hierarchy  
Impact Analysis  
Supplement FY 22-23**

Under the Moving to Work (MTW) Operations Notice, MTW agencies are required to prepare an impact analysis as a “safe harbor” for certain activities proposed in the annual MTW Supplement. MTW agencies must prepare the impact analysis:

- Prior to implementation of the MTW activity, if required as a safe harbor;
- For certain activities as defined in the MTW Operations Notice on an annual basis during the implementation of the MTW activity;
- Prior to any Safe Harbor Waiver or Agency-Specific Waiver requests; and,
- At the time the MTW activity is closed out, if an impact analysis was previously required.

HC has prepared this impact analysis in conjunction with its first MTW Supplement for the fiscal year beginning on July 1, 2022. This analysis describes the projected impacts of the requested Agency-Specific Waiver related to using an alternative verification hierarchy for income verification in both the Public Housing and Housing Choice Voucher (HCV) programs.

**1. Impact on the agency’s finances (e.g., how much will the activity cost, any change in the agency’s per family contribution)**

The activity is revenue neutral. HC projects that there will no change to a family’s contribution based on the use of an alternative verification hierarchy. With respect to agency costs, HC projects a small time savings associated with staff using a streamlined verification hierarchy. Staff time will be repurposed to better address applicant, participant and stakeholder needs.

**2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)**

HC does not project any impact on the affordability of housing costs for families. The only change is the method of verifying household income.

**3. Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist)**

HC does not expect that the proposed activity will have any impact on the agency’s waitlist including on the amount of time families are on the waitlist

**4. 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)**

HC does not expect that implementation of the alternative verification hierarchy will have any measurable impact on HC’s termination rates for either the public housing or HCV programs.

HC’s current grievance/informal review/hearing policies provide participating families with the opportunity to dispute HC’s calculation of income and rent.

**5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

HC does not expect that implementation of the alternative verification hierarchy will have any measurable impact on current public housing occupancy rates or HCV utilization rates.

**6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

HC projects that the alternative verification hierarchy will have a positive effect on the goal of increasing cost effectiveness as it will streamline the income verification process for both residents/participants and staff. Over the longer term, HC projects that the cumulative impacts of stepped rent, triennial reexamination, alternative verification hierarchy and other MTW initiatives activities will result in a more streamlined and cost-effective process for determining initial eligibility and conducting regular recertifications.

**7. Impact on the agency's ability to meet the MTW statutory requirements**

Implementation of the alternative verification hierarchy is not projected to have a measurable impact on HC's ability to meet the five MTW statutory requirements. HC intends to fully comply with the MTW statutory requirements throughout its participation in the MTW Demonstration.

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

HC does not anticipate that implementation of the requested Agency-Specific Waiver will generate additional hardship requests.

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

HC does not project any negative impacts including disparate impacts on protected classes as a result of implementing the requested Agency-Specific Waiver.

4. Safe Harbor Waiver Request:  
Alternative Reexamination Schedule for  
Households Activities 3.a. & 3.b.





## Safe Harbor Waiver-Alternative Reexamination Schedule Supplement FY 22-23

Housing Connect (HC) is requesting the following Safe Harbor waiver:

3.a & b. Alternative Reexamination Schedule for Households (PH & HCV)	<p>The standard MTW waiver provides that when an alternative reexamination schedule is established, the housing authority must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased by 10% or more.</p> <p>Instead, HC is proposing that households can request a hardship exemption under HC's Hardship Policy that will address a decrease in income or a rent burden above 40% of a household's current monthly gross income.</p>
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**Description of Standard MTW Waiver:** The agency may establish an alternative reexamination schedule for households.

**Statutes and Regulations Waived:** For PH, certain provisions of sections 3 (a)(1) and 3(a)(2)(E) of the 1937 ACT and 24 C.F.R. 960.257 (a)-(b). For HCV, certain provisions of sections 8(o)(5) of the 1937 Act and 24 CFR 982.516(a)(1) and 982.516(c)(2).

### Safe Harbors:

- i. Reexamination must occur at least every three years.
- ii. 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.
- iii. Agency must implement an impact analysis.
- iv. Agency must include a hardship policy.

### Requested Safe Harbor Waiver and Explanation

HC is requesting this Safe Harbor waiver in connection with its participation in the Rent Reform demonstration. This waiver will apply to households who are eligible for the Rent Reform demonstration and selected to pay rent under the Stepped Rent policy. The study design requires HC and the other demonstration sites to conduct a reexamination/eligibility check of each Stepped Rent household's income every three years (triennially).

However, rather than providing an interim reexamination once per year if the household has a decrease in gross income of 10% or more as specified in the standard 3. a. & b. waiver, HC will offer a hardship policy that allows households to request a hardship rent if they experience a decrease in income or a rent burden above 40% of a household's current monthly gross income.

This waiver will provide administrative relief to HC by decreasing the frequency of reexaminations, while providing households with the hardship policy as a way to get rent relief if they experience a decrease in income.

Please note the impact analysis for this waiver is captured in the comprehensive impact analysis for the following MTW activities:

- 1. c. – Stepped Rent (PH)
- 1. d. – Stepped Rent (HCV)
- 3. a. – Alternative Reexamination Schedule for Households (PH)
- 3. b. – Alternative Reexamination Schedule for Households (HCV)

### **Comments from Public Hearing**

To be provided after public comment period.

5. Safe Harbor Waiver Request:  
Self-Certification of Assets Activities 3.c. & 3.d.





**Housing Connect  
Safe Harbor Waiver  
Self-Certification of Assets  
Supplement FY 22-23**

**1. Safe Harbor Name and Number & Associated Activity**

Self-Certification of Assets  
3c & 3d

**2. Safe Harbor & Implementing Regulations**

The Operations Notice establishes the following safe harbors and waives the following statutes and regulations for activities 3c and 3d:

- Safe Harbor:
  - At reexamination, the agency may allow the self-certification of assets only up to \$50,000
- Statutes and Regulations Waived:
  - PH: Certain provisions of sections 3 (a)(1) and 3(a)(2)(E) of the 1937 ACT and 24 C.F.R. 960.259 (c)-(2).
  - HCV: Certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR 982.516(a)(3).

**3. Proposed MTW Activity the MTW Agency Wishes to Implement via the Safe Harbor Waiver**

HC is requesting this Safe Harbor waiver to allow the self-certification of assets only up to \$50,000 at new admission as well as at reexamination.

This waiver will provide administrative relief to HC staff and reduce time spent verifying assets. The majority of applicants have minimal assets with little to no income from their assets. The method of verification for these assets will have an insignificant impact on TTP and HAP amounts but will have a large impact on reducing administrative time and achieving greater cost effectiveness in federal expenditures. Administrative burdens are also eased for applicants and participants in that they do not have to provide third party verification of assets, especially in light of the fact that the assets frequently result in little or no income.

**4. Description of the Local Issue and Why such an Expansion is Needed to Implement the MTW Activity**

Under the MTW Operations Notice, MTW agencies may accept asset self-certification at reexamination and only for assets valued up to \$50,000. As the Selection Notice does not provide this flexibility for applicants at admission, HC is submitting this safe harbor request to conform to the requirements in HC's stepped rent policy under Cohort 2.

**5. Impact Analysis**

An impact analysis is provided as a separate attachment



**6. Description of the Hardship Policy for the MTW Activity, if applicable**

Not Applicable. Allowing self-certification of assets up to \$50,000 at admission and reexamination does not result in any hardship to applicants or participants.

**7. Comments from Public Hearing**

To be provided after public comment period.

**Housing Connect  
Impact Analysis  
Self-Certification of Assets  
Supplement FY 22-23**

Under the Moving to Work (MTW) Operations Notice, MTW agencies are required to prepare an impact analysis when submitting Safe Harbor waiver requests for certain activities proposed in the annual MTW Supplement. MTW agencies must prepare the impact analysis:

- Prior to implementation of the MTW activity, if required as a safe harbor;
- For certain activities as defined in the MTW Operations Notice on an annual basis during the implementation of the MTW activity;
- Prior to any Safe Harbor Waiver or Agency-Specific Waiver requests; and,
- At the time the MTW activity is closed out, if an impact analysis was previously required.

HC has prepared this impact analysis in conjunction with its first MTW Supplement for the fiscal year beginning on July 1, 2022. This analysis describes the projected impacts of the requested Safe Harbor waiver request related to allowing the self-certification of assets at admission and reexamination for Public Housing and Housing Choice Voucher families with assets up to \$50,000.

**1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)**

The activity is revenue neutral. HC projects that there will no change to a family's contribution based on allowing the self-certification of asset value and income at admission and reexamination. With respect to agency costs, HC projects a small time savings associated with staff using a streamlined verification and calculation approach for assets up to \$50,000. Staff time will be re-purposed to better address applicant, participant and stakeholder needs.

Approximately 97% of all HC households report assets under \$50,000 and of those households, the average asset income is \$5.97. HC does not forecast a change to agency finances when applying this policy to new admissions and existing participants.

**2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)**

HC does not project any impact on the affordability of housing costs for families. The only change is the method of verifying asset value and income.

**3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)**

HC does not expect that the proposed activity will have any impact on the agency's waitlist including on the amount of time families are on the waitlist

**4. 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)**

HC does not expect that implementation of the asset self-certification for new admissions and participants will have any measurable impact on HC's termination rates for either the public housing or HCV programs.

HC's current grievance/informal review/hearing policies provide participating families with the opportunity to dispute HC's calculation of income and rent.

**5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

HC does not expect that implementation of self-certification of assets up to \$50,000 for new admissions and participants will have any measurable impact on current public housing occupancy rates or HCV utilization rates.

**6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

HC projects that the asset self-certification will have a positive effect on the goal of increasing cost effectiveness as it will streamline the income verification process for both applicants/participants and staff. Over the longer term, HC projects that the cumulative impacts of stepped rent, triennial reexamination, alternative verification hierarchy, asset self-certification and other MTW initiatives activities will result in a more streamlined and cost-effective process for determining initial eligibility and conducting regular recertifications.

**7. Impact on the agency's ability to meet the MTW statutory requirements**

Implementation of the asset self-certification for applicants and participants is not projected to have a measurable impact on HC's ability to meet the five MTW statutory requirements. HC intends to fully comply with the MTW statutory requirements throughout its participation in the MTW Demonstration.

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

HC does not anticipate that implementation of the requested Safe Harbor waiver request will generate additional hardship requests.

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

HC does not project any negative impacts including disparate impacts on protected classes as a result of implementing the requested Safe Harbor waiver.

6. Safe Harbor Waiver Request:  
Elimination of PBV Selection Process (HCV)  
Activity 9.c.







**Housing Connect  
Safe Harbor Waiver  
Elimination of PBV Selection Process (HCV)  
Supplement FY 22-23**

**1. Safe Harbor Name and Number & Associated Activity**

Elimination of PBV Selection Process (HCV)  
9.c.

**2. Safe Harbor & Implementing Regulations**

The Operations Notice establishes the following safe harbors and waives the following statutes and regulations for activities 9.c.:

- Safe Harbors:
  - i. A subsidy layering review must be conducted.
  - ii. The agency must complete site selection requirements.
  - iii. ~~HQS inspections must be performed by an independent entity according to 24 C.F.R. 983.59(b) or 24 C.F.R. 983.103(f).~~
  - iv. The agency is subject to Notice PIH 2013-27 where applicable, or successor
  - v. Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21.
- Statutes and Regulations Waived:
  - HCV: Certain provisions of 24 CFR 983.51 as it was superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).

**3. Requested Safe Harbor Waiver and Explanation**

HC is requesting a Safe Harbor waiver for 9.c.iii to allow Housing Connect to inspect PHA-owned PBV units. Please note HC has requested a waiver under 5.c. that will allow HC to inspect PHA-owned PBV units. In the event that HUD determines that the 5.c. waiver does not apply to PBV units selected under 9.c.iii, HC is submitting this safe harbor waiver request to conform to the requirements of the Operations Notice.

As noted in 5.c., this waiver will allow Housing Connect (HC) to perform HQS inspections on PBV units that it owns, manages, and/or controls. All such inspections will be conducted using HQS standards found at 24 CFR 982.401. To ensure the consistent and uniform application of HQS standards, HC supervisory staff will conduct quality control inspections on a random sample of units in accordance with the inspection Quality Assurance Method included as an attachment. Program participants may request an interim inspection by contacting HC in accordance with the policies described in the Administrative Plan. If requested by HUD, HC will obtain the services of a third-party entity to determine if HC owned units pass HQS. This activity helps support the HC goal to streamline program administration and promote timely lease-up of PBV units.

**4. Description of the Local Issue and Why such an Expansion is Needed to Implement the MTW Activity**

Under the MTW Operations Notice, MTW agencies may request to perform inspections on PBV units that it owns under activity 5.c. Under activity 9.c. the Selection Notice does not provide this flexibility therefore HC is submitting this safe harbor request.

**5. Impact Analysis**

Not Applicable.

**6. Description of the Hardship Policy for the MTW Activity, if applicable**

Not Applicable.

**7. Comments from Public Hearing**

To be provided after public comment period.

7. Quality Assurance Method:  
Rent Reasonableness  
Activity 2.d.





**Housing Connect**  
**Rent Reasonableness Quality Assurance Protocol**  
**PBV Owned, Managed and/or Controlled Units - Activity 2.d.**  
**Supplement FY 22-23**

***Introduction:***

Under MTW, Housing Connect has received approval to waive the requirement that rent reasonable determinations, on PBV units that it owns, manages and/or controls, be conducted by a third party. As a safe harbor for this waiver, Housing Connect has developed a quality assurance protocol to ensure impartiality in rent determinations for Housing Connect PBV units that it owns, manages and/or controls.

***Assessment:***

Whether Housing Connect takes into consideration the location, size, type, quality and age of the units, and the amenities, housing services, and maintenance and utilities when determining comparability and the reasonable rent.

Whether Housing Connect determines and documents, for PBV units that Housing Connect owns, manages and/or controls, that the rent to owner is reasonable based on current rents for comparable unassisted units:

- Whenever there is a 10 percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR in effect 1 year before the contract anniversary.
- Whenever Housing Connect approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
- Whenever there is any other change that may substantially affect the reasonable rent.

***Regulatory Waivers:*** 24 CFR Sections 983.303 and 982.352(b)

***Information Needs:***

1. Administrative Plan sections on Rent Reasonableness
2. The number of families assisted in PBV units owned, managed and/or controlled by Housing Connect.

***Action Steps:***

1. Determine the proper sample size based on the number of families assisted in PBV units owned, managed and/or controlled by Housing Connect.
2. Select a random sample using the universe and table below.
3. Review Administrative Plan policies governing rent reasonableness.
4. Review each file for adherence to rent reasonableness policies and procedures.
5. Complete data collection form.





6. Determine what percent of families in the sample had reasonable rent determinations completed correctly.
7. Take action to address any material deficiencies in Housing Connect's rent reasonableness process

Universe Size	Minimum Number of files to be Sampled
50 or less	5
51 – 600	5 + 1 for each 50 (or part of 50) over 50
601 – 2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000



**HOUSING CONNECT**  
**Rent Reasonableness: PBV Owned, Managed & Controlled Units**

Period of Review: \_\_\_\_\_

Family Name	Rent Determination Date	Was this action during the fiscal year being reviewed?	Rent Amount for Unit	System Generated Comp	Subject unit utility payment entered correctly?	Subject unit type/amenities/quality/etc. entered correctly?	Comments (enter findings)	Answer to each question is consistent with policy?

Number of Rents Reviewed: \_\_\_\_\_  
Number of Rent Reasonableness determinations which were consistent with policy: \_\_\_\_\_  
Percent Rent Reasonableness determinations which were consistent with policy: \_\_\_\_\_

8. Quality Assurance Method:  
Third-Party Requirement  
Activity 5.c.





**Housing Connect**  
**HQS Inspection Quality Assurance Methods – Activity 5.c.**  
**Supplement FY 22-23**

Housing Connect (HC) will perform HUD Housing Quality Standards (HQS) inspections on Project Based Voucher units that are owned, managed and/or controlled by HC. To ensure the consistency and uniformity of these HQS inspections, HC shall perform quality control (QC) inspections on a random sample of HQS inspections completed on HC owned units in accordance with the policies described in the Administrative Plan. The following information describes HC's quality control inspection policies and HC's HQS QC audit protocol.

**A. Program Integrity and Ethics**

General Principles:

1. HC anticipates that the vast majority of families, owners, and HC employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.
2. To ensure that the HC's HCV program is administered effectively and according to the highest ethical and legal standards, HC will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.
3. In addition to taking steps to prevent errors and program abuse, HC will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

1. Under the Section 8 Management Assessment Program (SEMAP), HUD requires completion of quality control HQS inspections to provide feedback on inspectors' work, which can be used to determine if individual performance or general HQS training issues need to be addressed.
2. **HC will also conduct HQS QC reviews on a random sample of HQS inspections completed on HC owned units consistent with the SEMAP HQS QC protocol. The universe is the number of HC owned units under HAP contract**
3. HC will use the results reported in any Independent Public Accountant (IPA) or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HC's error detection and abuse prevention efforts.
4. HC will review all referrals, specific allegations, complaints, and tips from any source including, other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HC to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.



5. HC will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

## **B. Management Assessment Objectives**

Housing Connect operates its housing assistance program with efficiency and uses resources in a manner that reflects commitment to quality and service. Housing Connect's policies and practices are consistent with SEMAP goals and objectives.

In order to demonstrate compliance with HUD and other pertinent regulations, HC will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to monitor HC's operational procedures and practices objectively and accurately.

In addition to SEMAP monitoring, to ensure quality control, supervisory staff performs random audits of all Housing Choice Voucher actions.

### **HQS QUALITY CONTROL INSPECTIONS AUDIT PROTOCOL - HC OWNED UNITS**

<b>Universe</b>	<b>Minimum Number of Reinspections to be Conducted</b>
50 or less	5
51 – 600	5 + 1 for each 50 (or part of 50) over 50
601 – 2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000

<b>Quarter</b>	<b>Period of Review</b>	<b>Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months</b>	<b># of Files to Sample</b>
Quarter 1			
Quarter 2			
Quarter 3			
Quarter 4			





# HOUSING CONNECT

### Period of Review:

[illegible]

**Analysis: (include issues identified and related recommendations and follow-up actions):**

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## 9. Proposed Stepped Rents



## Housing Connect Stepped Rent Schedule Supplement FY 22-23

The table below shows the Final FY 2022 Fair Market Rents in Salt Lake County and the minimum and maximum annual rent increase allowed under the Stepped Rent policy.

Bedroom Size	0	1	2	3	4	5	6	7	8
FMR	\$924	\$1,112	\$1,327	\$1,843	\$2,066	\$2,375	\$2,732	\$3,141	\$3,612
Minimum Increase (2%)	\$18.48	\$22.24	\$26.54	\$36.86	\$41.32	\$47.50	\$54.64	\$62.82	\$72.24
Maximum Increase (4%)	\$36.96	\$44.48	\$53.08	\$73.72	\$82.64	\$95.00	\$109.28	\$125.64	\$144.48

Housing Connect intends to set increases at 2% for stepped rent increases with 5 bedroom subsidies and larger maintaining the same step. **Proposed increases:**

Bedroom Size	0	1	2	3	4	5	6	7	8
FMR	\$924	\$1,112	\$1,327	\$1,843	\$2,066	\$2,375	\$2,732	\$3,141	\$3,612
Projected Increase	\$19	\$23	\$27	\$37	\$42	\$48	\$48	\$48	\$48

## 10. Impact Analysis

**MTW Impact Analysis  
Stepped Rent  
Stepped Rent and Alternative UA**

Under the Moving to Work (MTW) Operations Notice, MTW agencies, including Housing Connect (HC) are required to prepare an impact analysis as a “safe harbor” for certain activities proposed in the annual MTW Supplement. MTW agencies must prepare the impact analysis:

- Prior to implementation of the MTW activity, if required as a safe harbor;
- For certain activities as defined in the MTW Operations Notice on an annual basis during the implementation of the MTW activity;
- Prior to any Safe Harbor Waiver or Agency-Specific Waiver requests; and,
- At the time the MTW activity is closed out, if an impact analysis was previously required.

HC has prepared this impact analysis in conjunction with its first MTW Supplement for the fiscal year beginning on July 1, 2022. This analysis describes the projected impacts of the following proposed MTW waiver activities which include activities needed to implement the MTW stepped rent program described in the MTW supplement. The impact analysis is an estimate of the forecasted financial impact on agency and participant costs as HC is unable to determine with exactness the actual change in participant income from year to year. HC established assumptions on which the impact analysis is based and which are detailed later in this document.

<b>Activity No.</b>	<b>Description</b>
1c	Stepped Rent – Public Housing
1d	Stepped Rent - HCV
3a	Alternative Reexamination Schedule for Households – Public Housing
3b	Alternative Reexamination Schedule for Households – HCV
Safe Harbor	Alternative Reexamination Schedules (Public Housing and HCV)
1i	Stepped Rent and Alternative Utility Allowance – Public Housing
1j	Stepped Rent and Alternative Utility Allowance - HCV

Overall, HC projects that the cumulative impact of the above-listed MTW activities will be:

- Beneficial to participants by providing either no change or small increases/decrease in rent to the majority of participants, while increasing opportunities to retain increases in earned income through less frequent recertifications
- Supportive of HC’s efforts to streamline program operations; reduce administrative burdens on both staff and clients; enhance resident economic self-sufficiency; and, expand housing choices

**1. Impact on the agency’s finances (e.g., how much will the activity cost, any change in the agency’s per family contribution)**

See response under #2 and impact analysis tables on pages 5-10

**2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)**

Please note that the results of the rent reform random assignment process (and the incomes of participants at initial enrollment) are unknown at this time which limits HC’s ability to forecast financial impacts.



The tables and charts on pages 5-10 summarize HC's preliminary projections of the impacts of stepped rent, as well as the impact of stepped rent together with the alternative utility allowance, on agency finances and existing families rents in the Public Housing and HCV programs.

Compared to standard HUD Public Housing and HCV program rent calculation methods, calculation of rents using HC's MTW stepped rent methodology are projected to result in small increases for the majority of families. Outlined below are points which summarize the impact. Please note that the analysis does not consider the impact that hardship requests will have on HAP, Rent Roll and/or Tenant Rent (TR).

### **Summary Results of Financial Impact – Stepped Rent Only**

#### General

- Families in large units with modest incomes may experience larger increases in TR since the stepped rent increase may be larger than the impact that the increase in income may have. HC's hardship policies provide for rent burden hardships so that families have relief in the event of a stepped rent burden.

#### At Enrollment - HCV

- HAP is forecasted to decrease \$4,968
- 17 HCV families will experience an increase in TR with the average increase for those families being \$24.
- 701 HCV families will experience no change to TR and no HCV families will experience an increase in TR
- The change in HCV TR and HAP at enrollment is as a result of the increase in minimum rent from \$25 to \$50 for households in the Project-Based program.

#### Year Two - HCV

- HAP is forecasted to decrease \$79,908.
- 224 HCV families are forecasted to have a decrease in TR with an average decrease of \$16.
- 464 HCV families are forecasted to experience an increase in TR with an average increase of \$22.

#### At Enrollment – Public Housing

- No change in Rent roll is forecasted.
- No public households will experience any change in TR at enrollment

#### Year Two – Public Housing

- Rent Roll is forecasted to increase by \$1,416.
- 10 Public Housing families are forecasted to have a decrease in TR with an average decrease of \$20.
- 35 Public Housing families are forecasted to experience an increase in TR with an average increase of \$25.

### **Summary Results of Financial Impact – Stepped Rent & Alternative Utility Allowance**

#### At Enrollment - HCV

- HAP is forecasted to decrease \$4,992
- 163 HCV households will experience no change in TR.
- 360 HCV households will experience a decrease in TR with the average decrease of \$26.

- 195 HCV households will experience an increase in TR with the average increase for those households being \$49.

#### Year Two - HCV

- HAP is forecasted to decrease \$80,196.
- 31 HCV families will not experience any change in TR
- 280 HCV families are forecasted to have a decrease in TR with an average decrease of \$29.
- 407 HCV families are forecasted to experience an increase in TR with an average increase of \$37.

#### At Enrollment – Public Housing

- Rent Roll is forecasted to decrease by \$7,680.
- 48 Public Housing families are forecasted to have a decrease in TR with an average decrease of \$23.
- No Public Housing families will experience an increase in tenant rent at enrollment and 3 families will not experience any change in TR.

#### Year Two – Public Housing

- Rent Roll is forecasted to decrease by \$7,032.
- 26 Public Housing families are forecasted to have a decrease in TR with an average decrease of \$24.
- 24 Public Housing families are forecasted to experience an increase in TR with an average increase of \$9
- 1 Public Housing family will not experience any change in TR.

### **Assumptions & Methodologies used in Financial Impact Analysis**

The following assumptions and methodologies were employed in preparing the impact analysis:

- Current participant income and eligible deductions were used to determine the impact of stepped rent at enrollment.
- The Social Security Cost of Living Adjustment (COLA) was used to forecast the change in income in year 2. This represents the most current COLA which was applied to 2022 benefits.
- The updated utility allowance schedule, completed in April 2022, was applied to all households in the baseline (current scenario), at enrollment scenario (year 1) and in year 2 for the stepped rent impact analysis.
- In year 2, the stepped rent increase was applied to each household's enrollment TTP according to the unit size.
- Income was calculated by applying the 5.9% increase to baseline household income.
- Total HAP, Rent Roll and TR were compared using the HUD formula (current scenario) to the total HAP, Rent Roll and TR under stepped rent.
- A minimum rent of \$50 was applied. This represents an increase of \$25 for participants in the Project -Based program and no change for participants in the Public Housing and HCV programs.
- Payment standards and contract rents were held at current levels for HCV participants in year 2.
- For the stepped rent and alternative UA, stepped rent policies and the alternative UA schedule policies were applied.

### **3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)**

HC does not expect that the proposed activities will have any impact on the agency's waitlist including on the amount of time families are on the waitlist

**4. 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)**

HC has developed a Hardship Policy to address potential areas of hardship for participating families. HC does not expect that the proposed MTW activities will have an impact on HC's termination rates for either the Public Housing or HCV programs.

**5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

HC does not project that the proposed MTW activities will have an impact on current Public Housing occupancy rates or HCV utilization rates.

**6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

HC projects that the stepped rent system will have a positive impact on resident self-sufficiency (i.e. increases to household earned income) by allowing treatment group participants a three-year window between regular recertifications during which the household can increase income with only a small corresponding increase in rent.

Over the longer term, HC projects that the stepped rent and triennial reexamination activities will result in a more streamlined process for determining initial eligibility and conducting regular recertifications. Thus, the activities are expected to support the MTW goal of improving cost effectiveness.

**7. Impact on the agency's ability to meet the MTW statutory requirements**

Implementation of the proposed MTW activities are projected to have no impact on HC's ability to meet the five MTW statutory requirements. HC intends to fully comply with the MTW statutory requirements throughout its participation in the MTW Demonstration.

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

While not possible to quantify, HC projects that hardship requests by households randomly selected for the treatment group are likely to increase as a result of the proposed MTW activities. If treatment group households experience a decrease in income or increase in deductions that meets the thresholds defined in the Hardship Policy, they will need to apply for a hardship in order to have their rent reduced. Given that this is a new initiative, HC expects that the denial rates for hardship requests may be somewhat higher during initial implementation of the stepped rent policy; however, this may change over time as families become more aware of how the Hardship Policy works.

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

HC does not project any negative impacts including disparate impacts on protected classes as a result of the proposed MTW activities.

# **STEPPED RENT IMPACT ANALYSIS - HCV**

	Bedroom Size							
	All	0	1	2	3	4	5	6
<b>Total Number of Households</b>	718	3	92	268	269	60	24	2
<b>Annual Total HAP</b>								
<b>Year 1 - Current Scenario</b>	\$7,601,148	\$8,748	\$829,944	\$2,619,312	\$3,088,848	\$705,156	\$313,128	\$36,012
<b>Year 1 - Stepped Rent (At Enrollment)</b>	\$7,596,180	\$8,748	\$829,944	\$2,619,012	\$3,084,648	\$704,688	\$313,128	\$36,012
<b>Change in Annual Total HAP</b>	(\$4,968)	\$0	\$0	(\$300)	(\$4,200)	(\$468)	\$0	\$0
<b>Year 2 - Current Scenario</b>	\$7,406,520	\$8,220	\$813,840	\$2,559,924	\$3,007,752	\$680,064	\$301,536	\$35,184
<b>Year 2 - Stepped Rent</b>	\$7,326,612	\$8,292	\$804,828	\$2,535,312	\$2,968,212	\$675,804	\$299,304	\$34,860
<b>Change in Annual Total HAP</b>	(\$79,908)	\$72	(\$9,012)	(\$24,612)	(\$39,540)	(\$4,260)	(\$2,232)	(\$324)
<b>Average Family Share</b>								
<b>Year 1 - Current Scenario</b>	\$426	\$435	\$280	\$363	\$467	\$626	\$730	\$505
<b>Year 1 - Stepped Rent (At Enrollment)</b>	\$427	\$435	\$280	\$363	\$469	\$627	\$730	\$505
<b>Change in Average Family Share</b>	(\$1)	\$0	\$0	(\$0)	(\$1)	(\$1)	\$0	\$0
<b>Year 2 - Current Scenario</b>	\$449	\$450	\$294	\$382	\$492	\$661	\$770	\$540
<b>Year 2 - Stepped Rent</b>	\$458	\$448	\$302	\$389	\$505	\$667	\$778	\$553
<b>Change in Average Family Share</b>	\$9	(\$2)	\$8	\$8	\$12	\$6	\$8	\$14
<b>Impact on Tenant (TR)</b>								
<b>Year 1 - Enrollment</b>								
<b>Households with No Change</b>	701	3	92	267	255	58	24	2
<b>Households with a Decrease</b>	0	0	0	0	0	0	0	0
<b>Average Decrease</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Households with an Increase</b>	17	0	0	1	14	2	0	0
<b>Average Increase</b>	\$24	N/A	N/A	\$25	\$25	\$20	N/A	N/A
<b>Dollar Increase</b>								
<b>\$1 to \$5</b>	0	0	0	0	0	0	0	0
<b>\$6 to \$10</b>	0	0	0	0	0	0	0	0
<b>\$11 to \$15</b>	1	0	0	0	0	1	0	0
<b>\$16 to \$20</b>	0	0	0	0	0	0	0	0
<b>\$21 to \$25</b>	16	0	0	1	14	1	0	0
<b>Impact on Tenant (TR) - Year 2</b>								
<b>Households with No Change</b>	30	1	3	14	9	3	0	0
<b>Households with a Decrease</b>	224	1	23	77	87	25	11	0
<b>Average Decrease</b>	\$16	\$25	\$15	\$17	\$14	\$16	\$22	N/A
<b>Households with an Increase</b>	464	1	66	177	173	32	13	2
<b>Average Increase</b>	\$22	\$19	\$17	\$19	\$26	\$24	\$33	\$14
<b>Dollar Decrease</b>								
<b>\$1 to \$5</b>	45	0	3	14	19	8	1	0
<b>\$6 to \$10</b>	52	0	5	19	20	6	2	0
<b>\$11 to \$25</b>	82	1	12	26	35	5	3	0
<b>\$26 to \$50</b>	43	0	3	18	12	5	5	0
<b>\$51 to \$100</b>	2	0	0	0	1	1	0	0
<b>Dollar Increase</b>								
<b>\$1 to \$5</b>	49	0	10	23	12	4	0	0
<b>\$6 to \$10</b>	58	0	7	21	23	5	1	1
<b>\$11 to \$25</b>	175	1	49	57	56	7	4	1
<b>\$26 to \$50</b>	165	0	0	75	68	14	8	0
<b>\$51 to \$100</b>	17	0	0	1	14	2	0	0

# **STEPPED RENT IMPACT ANALYSIS – PUBLIC HOUSING**

		Bedroom Size		
	All	2	3	4
<b>Total Number of Households</b>	51	20	21	10
<b>Annual Total Rent Roll</b>				
Year 1 - Current Scenario	\$200,268	\$75,120	\$70,800	\$54,348
Year 1 - Stepped Rent (At Enrollment)	\$200,268	\$75,120	\$70,800	\$54,348
Change in Total Rent Roll	\$0	\$0	\$0	\$0
<b>Year 2 - Current Scenario</b>	\$210,996	\$78,264	\$75,612	\$57,120
<b>Year 2 - Stepped Rent</b>	\$212,412	\$79,152	\$76,128	\$57,132
<b>Change in Total Rent Roll</b>	\$1,416	\$888	\$516	\$12
<b>Average TTP</b>				
Year 1 - Current Scenario	\$409	\$391	\$355	\$557
Year 1 - Stepped Rent (At Enrollment)	\$409	\$391	\$355	\$557
Change in Average TTP	\$0	\$0	\$0	\$0
<b>Year 2 - Current Scenario</b>	\$427	\$405	\$375	\$581
<b>Year 2 - Stepped Rent</b>	\$440	\$414	\$392	\$595
<b>Change in Average TTP</b>	\$14	\$9	\$17	\$14
<b>Impact on Tenant (TR) – Year 1- At Enrollment</b>				
Households with No Change	51	20	21	10
Households with a Decrease	0	0	0	0
Average Decrease	N/A	N/A	N/A	N/A
Households with an Increase	0	0	0	0
Average Increase	N/A	N/A	N/A	N/A
<b>Impact on Tenant (TR/UAP) - Year 2</b>				
Households with No Change	6	4	1	1
Households with a Decrease	10	3	4	3
Average Decrease	\$20	\$15	\$20	\$25
Households with an Increase	35	13	16	6
Average Increase	\$25	\$18	\$28	\$36
<b>Dollar Decrease</b>				
\$1 to \$5	2	1	1	0
\$6 to \$10	0	0	0	0
\$11 to \$25	4	1	2	1
\$26 to \$50	4	1	1	2
<b>Dollar Increase</b>				
\$1 to \$5	2	1	1	0
\$6 to \$10	1	1	0	0
\$11 to \$25	11	8	3	0
\$26 to \$50	21	3	12	6



# **STEPPED RENT & ALTERNATIVE UTILITY ALLOWANCE IMPACT ANALYSIS – HCV**

	Bedroom Size							
	All	0	1	2	3	4	5	6
<b>Total Number of Households</b>	718	3	92	268	269	60	24	2
<b>Number of Households with Utility Allowance</b>	641	3	85	239	239	55	18	2
<b>Annual Total HAP</b>								
<b>Year 1 - Current Scenario</b>	\$7,601,148	\$8,748	\$829,944	\$2,619,312	\$3,088,848	\$705,156	\$313,128	\$36,012
<b>Year 1 - Stepped Rent (At Enrollment)</b>	\$7,596,156	\$9,084	\$824,928	\$2,622,252	\$3,090,024	\$710,508	\$304,764	\$34,596
<b>Change in Annual Total HAP</b>	(\$4,992)	\$336	(\$5,016)	\$2,940	\$1,176	\$5,352	(\$8,364)	(\$1,416)
<b>Year 2 - Current Scenario</b>	\$7,406,520	\$8,220	\$813,840	\$2,559,924	\$3,007,752	\$680,064	\$301,536	\$35,184
<b>Year 2 - Stepped Rent</b>	\$7,326,324	\$8,628	\$799,812	\$2,538,672	\$2,973,456	\$681,372	\$290,940	\$33,444
<b>Change in Annual Total HAP</b>	(\$80,196)	\$408	(\$14,028)	(\$21,252)	(\$34,296)	\$1,308	(\$10,596)	(\$1,740)
<b>Average Family Share</b>								
<b>Year 1 - Current Scenario</b>	\$426	\$435	\$280	\$363	\$467	\$626	\$730	\$505
<b>Year 1 - Stepped Rent (At Enrollment) &amp; Alt UA</b>	\$425	\$436	\$277	\$363	\$465	\$621	\$716	\$505
<b>Change in Average Family Share</b>	\$2	(\$1)	\$2	(\$0)	\$2	\$6	\$13	\$0
<b>Year 2 - Current Scenario</b>	\$447	\$460	\$288	\$383	\$491	\$663	\$728	\$481
<b>Year 2 - Stepped Rent</b>	\$456	\$449	\$300	\$389	\$502	\$661	\$764	\$553
<b>Change in Average Family Share</b>	\$9	(\$11)	\$13	\$7	\$11	(\$2)	\$37	\$73
<b>Impact on Tenant (TR)</b>								
<b>Year 1 - Enrollment</b>								
<b>Households with No Change</b>	163	1	11	60	65	15	11	0
<b>Households with a Decrease</b>	360	2	49	146	129	32	2	0
<b>Average Decrease</b>	\$26	\$14	\$24	\$22	\$26	\$40	\$42	N/A
<b>Households with an Increase</b>	195	0	32	62	75	13	11	2
<b>Average Increase</b>	\$49	N/A	\$49	\$49	\$43	\$65	\$71	\$59
<b>Dollar Decrease</b>								
<b>\$1 to \$25</b>	249	1	36	114	79	18	1	0
<b>\$26 to \$50</b>	65	1	9	16	36	3	0	0
<b>\$51 to \$75</b>	25	0	4	16	2	3	0	0
<b>\$76 to \$100</b>	21	0	0	0	12	8	1	0
<b>Dollar Increase</b>								
<b>\$1 to \$25</b>	46	0	1	9	29	3	3	1
<b>\$26 to \$50</b>	16	0	10	4	1	1	0	0
<b>\$51 to \$75</b>	102	0	21	47	32	2	0	0
<b>\$76 to \$100</b>	31	0	0	2	13	7	8	1
<b>Impact on Tenant (TR) - Year 2</b>								
<b>Households with No Change</b>	31	1	1	15	10	4	0	0
<b>Households with a Decrease</b>	280	2	33	98	110	30	7	0
<b>Average Decrease</b>	\$29	\$17	\$25	\$29	\$28	\$43	\$23	N/A
<b>Households with an Increase</b>	407	0	58	155	149	26	17	2
<b>Average Increase</b>	\$37	N/A	\$35	\$30	\$40	\$46	\$61	\$73
<b>Dollar Decrease</b>								
<b>\$1 to \$25</b>	153	1	19	50	66	13	4	0
<b>\$26 to \$50</b>	81	1	13	34	24	7	2	0
<b>\$51 to \$75</b>	27	0	1	11	12	2	1	0
<b>\$76 to \$100</b>	10	0	0	2	5	3	0	0
<b>\$101 to \$150</b>	9	0	0	1	3	5	0	0

		Bedroom Size						
	All	0	1	2	3	4	5	6
<b>Dollar Increase</b>								
<b>\$1 to \$25</b>	183	0	29	82	60	9	3	0
<b>\$26 to \$50</b>	105	0	7	39	44	9	5	1
<b>\$51 to \$75</b>	64	0	22	21	16	1	4	0
<b>\$76 to \$100</b>	40	0	0	11	23	4	2	0
<b>\$101 to \$150</b>	15	0	0	2	6	3	3	1

# STEPPED RENT & ALTERNATIVE UTILITY ALLOWANCE IMPACT ANALYSIS – PUBLIC HOUSING

		Bedroom Size		
	All	2	3	4
Total Number of Households	51	20	21	10
Number of Households with Utility Allowance	48	19	19	10
Annual Total Rent Roll				
Year 1 - Current Scenario	\$200,268	\$75,120	\$70,800	\$54,348
Year 1 - Stepped Rent (At Enrollment) and MTW Alt UA	\$192,588	\$73,044	\$68,004	\$51,540
Change in Total Rent Roll	(\$7,680)	(\$2,076)	(\$2,796)	(\$2,808)
Year 2 - Current Scenario	\$210,996	\$78,264	\$75,612	\$57,120
Year 2 - Stepped Rent and MTW Alt UA	\$203,964	\$76,776	\$73,128	\$54,060
Change in Total Rent Roll	(\$7,032)	(\$1,488)	(\$2,484)	(\$3,060)
Average TTP				
Year 1 - Current Scenario	\$409	\$391	\$355	\$557
Year 1 - Stepped Rent (At Enrollment) and MTW Alt UA	\$409	\$391	\$355	\$557
Change in Average TTP	\$0	\$0	\$0	\$0
Year 2 - Current Scenario	\$427	\$405	\$375	\$581
Year 2 - Stepped Rent and MTW Alt UA	\$440	\$414	\$392	\$595
Change in Average TTP	\$14	\$9	\$17	\$14
Impact on Tenant (TR)				
Year 1 - Enrollment				
Households with No Change	3	1	2	0
Households with a Decrease	48	19	19	10
Average Decrease	\$23	\$13	\$24	\$37
Households with an Increase	0	0	0	0
Average Increase	N/A	N/A	N/A	N/A
Impact on Tenant (TR) - Year 2				
Households with No Change	1	1	0	0
Households with a Decrease	26	10	9	7
Average Decrease	\$24	\$14	\$24	\$37
Households with an Increase	24	9	12	3
Average Increase	\$9	\$8	\$10	\$9
Dollar Decrease				
\$1 to \$5	3	3	0	0
\$6 to \$10	2	0	1	1
\$11 to \$25	14	6	6	2
\$26 to \$50	3	1	1	1
\$51 to \$100	4	0	1	3
Dollar Increase				
\$1 to \$5	7	2	3	2
\$6 to \$10	6	4	2	0
\$11 to \$25	10	3	6	1
\$26 to \$50	1	0	1	0

### Projected Impact: Alternative Reexamination Schedule & Self-Certification of Assets

Activity No.	Description	Projected Impacts
3a	Alternative Reexamination Schedule for Households – Public Housing	<ul style="list-style-type: none"> <li>• HC intends to apply triennial reexam schedules to Public Housing treatment group households. Overall, HC estimates that this will change will result in a small reduction in rent roll to account for the increases in income which may be greater than the increases in rent afforded when applying the stepped rent increase factor.</li> </ul>
3b	Alternative Reexamination Schedule for Households – HCV	<ul style="list-style-type: none"> <li>• HC intends to apply triennial reexam schedules to HCV treatment group households. Overall, HC estimates that this will change will result in a small increase to account for the increases in income which may be greater than the increases in rent afforded when applying the stepped rent increase factor.</li> </ul>
Safe Harbor	Alternative Reexamination Schedules (Public Housing and HCV)	<ul style="list-style-type: none"> <li>• In conjunction with activities 3a and 3b, HC has submitted a Safe Harbor Waiver as need to eliminate interim reexams for the rent reform treatment group. In lieu of interim reexams, HC has developed a Hardship Policy to mitigate any negative impacts on these households. HC does not project any financial impact as a result of this activity.</li> </ul>
Safe Harbor	Self-Certification of Assets at Admission	<ul style="list-style-type: none"> <li>• HC projects that allowing the self-certification of assets up to \$50,000 at admission and reexamination will be rent roll and HAP neutral while having little or no impact on tenant rent.</li> </ul>



**Housing Connect  
MTW Waiver Impact Analysis  
Alternative Utility Allowance**

Under the Moving to Work (MTW) Operations Notice, MTW agencies, including Housing Connect are required to prepare an impact analysis as a “safe harbor” for certain activities proposed in the annual MTW Supplement. MTW agencies must prepare the impact analysis:

- Prior to implementation of the MTW activity, if required as a safe harbor;
- For certain activities as defined in the MTW Operations Notice on an annual basis during the implementation of the MTW activity;
- Prior to any Safe Harbor Waiver or Agency-Specific Waiver requests; and,
- At the time the MTW activity is closed out, if an impact analysis was previously required.

Housing Connect has prepared this impact analysis in conjunction with its first MTW Supplement for the fiscal year beginning on July 1, 2022. This analysis describes the projected impacts of the following proposed MTW waiver needed to implement the MTW alternative utility allowance (MTW Alt UA) described in the MTW supplement:

Activity No.	Description
1i	Alternative Utility Allowance – PH
1j	Alternative Utility Allowance - HCV

Overall, Housing Connect projects that the cumulative impact of the above-listed MTW activity will be:

- Beneficial to residents and program participants by providing either no change, small decreases or small increases in rent to the majority of residents and participants, while simplifying the process for determining affordability for HCV participants; and
- Supportive of Housing Connect’s efforts to streamline program operations by reducing administrative burdens on staff, residents and participants.

**1. Impact on the agency’s finances (e.g., how much will the activity cost, any change in the agency’s per family contribution)**

See response under #2 and impact analysis tables on pages 5 and 6.

**2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)**

The tables on pages 5 and 6 summarize Housing Connect’s preliminary projections of the impact of the MTW Alt UA on agency finances and existing families rents in the Public Housing and HCV programs. Note that the results of the rent reform random assignment process (and the incomes of participants at initial enrollment) are unknown at this time which limits Housing Connect’s ability to forecast financial impacts.

Compared to standard HUD Public Housing and HCV program utility allowance assignment and calculation methods, determination of utility allowances using Housing Connect’s MTW Alt UA is

projected to result in modest decreases and increases for the majority of families. Outlined below are points which summarize the impact. Please note that the analysis does not consider the impact that reasonable accommodation utility allowance requests will have on HAP, Rent Roll and/or tenant rent (TR) or utility allowance payments (UAP). Finally, the MTW Alt UA will apply to households in the treatment, control and excluded groups, except where regulatory exceptions apply.

### **Summary Results of Financial Impact – MTW Alt UA Only**

#### **MTW Alt UA Schedule**

The MTW AI UA schedule reflects the updated utility allowance schedules completed in April 2022. The UAs reflect the average UA by bedroom size for all HC families who are responsible for payment of one or more utilities.

	<b>Bedroom Size</b>					
	0	1	2	3	4	5
<b>Utility Allowance</b>	\$49	\$82	\$104	\$134	\$169	\$279

#### HCV Impact Summary

- There are 2,484 HCV families with utility allowances.
- HAP is forecasted to decrease \$72.
- 1,741 (70%) HCV families with utility allowances will experience either no change or a decrease in TR with the average decrease for those households being \$24.
- 743 (30%) HCV families with utility allowances will experience an increase in TRO with the average increase for those families being \$50.
- The increase in HCV TR is largely as a result of the decrease in utility allowance for families in single family and mobile homes and families who are responsible for most or all utilities. Additionally, families with increases in utility allowances which resulted in gross rents exceeding the payment standard also experienced increases in TR or decreases in UAPs.

#### Public Housing Impact Summary

- There are 198 Public Housing families with utility allowances
- Rent roll is forecasted to decrease by \$53,868.
- All of the Public Housing families (100%) with utility allowances will experience a decrease in tenant rent with an average decrease of \$26/month.
- The decrease in Public Housing TR is largely as a result of the MTW Alt UA schedule representing the average of utility allowances paid by both HCV and Public Housing families. Typically, Public Housing families, are not responsible for as many utilities as are HCV families.

### **Assumptions & Methodologies used in Financial Impact Analysis – MTW Alt UA**

- The MTW Alt UA was determined using the average utility allowance, by bedroom size, for all building types and all HCV and Public Housing families with utility allowances.
- The April 2022 UA schedule was applied to all UAs in determining the MTW Alt UA schedule, even though some of those families have not yet had a reexamination where the 2022 UA schedule was applied.



- TR, UAP, HAP and Rent Roll were calculated using existing incomes and UAs and were compared to the TR, UAP, HAP and Rent Roll calculated using existing income and the MTW Alt UA.
- The UA applied was the smaller of the unit size and voucher size. In the HCV program, there are 5 families in 6 BR units; however, none of those families have a 6 BR voucher. Accordingly, the MTW Alt UA schedule goes up to 5 BRs.

**3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)**

Housing Connect does not expect that the proposed activity will have any impact on the agency's waitlist including on the amount of time families are on the waitlist

**4. 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)**

Housing Connect does not expect that the proposed MTW activity will have an impact on Housing Connect's termination rates for either the Public Housing or HCV programs.

**5. Impact on the agency's current occupancy level in Public Housing and utilization rate in the HCV program**

Housing Connect does not project that the proposed MTW activity will have an impact on current Public Housing occupancy rates or HCV utilization rates.

**6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

Housing Connect projects that the MTW Alt UA will have a positive impact on Housing Connect's administrative efficiency and provide a more simplified method for residents and participants to determine affordability, thus supporting the MTW goal of improving cost effectiveness.

**7. Impact on the agency's ability to meet the MTW statutory requirements**

Implementation of the proposed MTW activity is projected to have no impact on Housing Connect's ability to meet the five MTW statutory requirements. Housing Connect intends to fully comply with the MTW statutory requirements throughout its participation in the MTW Demonstration.

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

There are no hardship policy requirements related to the MTW Alt UA; however, households continue to be able to request reasonable accommodation utility allowances. Housing Connect cannot quantify the number of reasonable accommodation requests which may be made upon implementation of the MTW Alt UA; however requests are likely to increase. Housing Connect does not anticipate any change to the percentage of reasonable accommodation requests granted and denied as result of this activity.

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

Housing Connect does not projects any disparate impact on protected classes or any associated disparate impact on households as a result of this activity.

# MTW ALT UA IMPACT ANALYSIS – HCV

		Bedroom Size							
	All	0	1	2	3	4	5	6*	Elderly/ Disabled
Number of Households with Utility Allowances	2484	17	991	874	460	107	30	5	1,537
Annual Total HAP									
Baseline	\$23,840,100	\$93,888	\$8,504,880	\$8,247,912	\$5,245,620	\$1,286,328	\$364,608	\$96,864	\$13,954,596
MTW Alt UA Applied	\$23,840,028	\$94,152	\$8,473,824	\$8,271,372	\$5,258,520	\$1,290,828	\$356,412	\$94,920	\$13,935,564
Change in Annual Total HAP	(\$72)	\$264	(\$31,056)	\$23,460	\$12,900	\$4,500	(\$8,196)	(\$1,944)	(\$19,032)
Impact on Tenant (TRO/UAP)									
Households with No Change	213	5	32	86	61	18	10	1	97
Households with a Decrease	1528	7	598	581	279	59	4	0	954
Average Decrease	\$24	\$9	\$25	\$21	\$26	\$39	\$38	N/A	\$23
Dollar Decrease									
\$1 to \$25	1100	5	417	468	175	33	2	0	705
\$26 to \$50	266	2	116	65	76	7	0	0	157
\$51 to \$100	162	0	65	48	28	19	2	0	92
Households with an Increase	743	5	361	207	120	30	16	4	486
Average Increase	\$50	\$8	\$48	\$51	\$50	\$64	\$52	\$41	\$49
Dollar Increase									
\$1 to \$25	85	4	13	25	25	7	8	3	43
\$26 to \$50	175	1	150	14	8	2	0	0	143
\$51 to \$100	482	0	198	168	87	20	8	1	299
\$101 to \$150	1	0	0	0	0	1	0	0	1

\*All 5 families in 6 bedroom units have 5 bedroom vouchers

# MTW ALT UA IMPACT ANALYSIS – PUBLIC HOUSING

		Bedroom Size				
	All	1	2	3	4	Elderly/ Disabled
Number of Households with Utility Allowances	198	94	50	37	17	140
Annual Total Rent Roll						
Baseline	\$656,904	\$258,888	\$197,508	\$98,244	\$102,264	\$447,360
MTW Alt UA Applied	\$603,036	\$222,432	\$191,568	\$91,152	\$97,884	\$402,708
Change in Annual Total Rent Roll	(\$53,868)	(\$36,456)	(\$5,940)	(\$7,092)	(\$4,380)	(\$44,652)
Impact on Tenant (TR/UAP)						
Households with No Change	0	0	0	0	0	
Households with a Decrease	198	94	50	37	17	140
Average Decrease	\$26	\$33	\$12	\$23	\$32	\$27
Dollar Decrease						
\$1 to \$5	9	0	9	0	0	7
\$6 to \$10	0	0	0	0	0	0
\$11 to \$25	85	0	41	37	7	38
\$26 to \$50	104	94	0	0	10	95
Households with an Increase	0	0	0	0	0	0
Average Increase	N/A	N/A	N/A	N/A	N/A	N/A
Dollar Increase						
\$1 to \$5	N/A	N/A	N/A	N/A	N/A	N/A
\$6 to \$10	N/A	N/A	N/A	N/A	N/A	N/A
\$11 to \$25	N/A	N/A	N/A	N/A	N/A	N/A
\$26 to \$50	N/A	N/A	N/A	N/A	N/A	N/A