

NOTE FROM THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

The Housing Authority of the County of Santa Cruz (HACSC) will be submitting form HUD-50075-MTW electronically through the Moving to Work (MTW) portal to HUD upon approval of its Board of Commissioners after a public process. Please find the original form HUD-50075-MTW on HUD's website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion/mtwsupplement. This document contains the information in the HUD form, but in an easier to read format, including larger print in a format that will be accessible to persons with disabilities when posted online. Most of the instructions and questions in the document are copied directly from the form HUD-50075-MTW (01/2021).

EXPLANATORY NOTE TO PUBLIC REVIEWERS OF THE PROPOSED MOVING TO WORK SUPPLEMENT FILLABLE FORM

The Moving to Work (MTW) Supplement collects information about policies implemented by MTW expansion agencies. MTW agencies use it to communicate their plans with residents and community stakeholders through required public comment processes, and HUD uses the information collected to monitor and evaluate the MTW demonstration program. MTW agencies will submit the MTW Supplement to HUD annually, and amend as needed. HUD plans to make the MTW Supplement into a fillable form so as to reduce respondent burden and make the information collected more useful to HUD. When the MTW Supplement is available through the fillable form, it will include skip patterns¹ that prompt the user to populate only the sections relevant to what they are currently implementing. It will also include screening questions that will ask which waivers and associated activities they are currently implementing, plan to implement in the upcoming year, or will be discontinued in the submission year. The MTW Agency will be able to print the information from the MTW Supplement in a reader-friendly format in order to inform the public of its plans for the upcoming year. The purposes of the MTW Supplement are two-fold: it reports to HUD what is happening at the local level in a way that the Department can monitor and evaluate; and, more importantly, it informs the public about what the agency is planning and gives the public the ability to provide comment.

The MTW Supplement asks for information about each of the MTW Waivers and associated activities that are made possible by the MTW Operations Notice, Safe Harbor Waivers and Agency-Specific Waivers, and a few other types of information. MTW agencies will fill in information/data through a fillable form and the information collected will be stored in a database so that it can be analyzed by HUD. The approved forms will be posted to the MTW website for viewing by the public. For instance, it will be simple to find out how many MTW agencies and which MTW agencies are implementing each type of activity. It will also simplify reporting for the MTW agency since information will carry over year-to-year in the fillable form so that information that does not change from year to year will be pre-populated, thereby reducing respondent burden.

This document lists the sections of the MTW Supplement and then presents the proposed questions to be included in the MTW Supplement for MTW agencies to answer annually. Throughout the online

¹ A skip pattern is a question or series of questions associated with a conditional response.

version, there will be a dropdown menu option that makes it clear as to which activities an agency is permitted to do within the safe harbors of the MTW Operations Notice, Appendix I, MTW Waivers.

Sections of the MTW Supplement:

- A. PHA Information
- B. Narrative
- C. MTW Waivers and Associated MTW Activities
- D. Safe Harbor Waivers
- E. Agency-Specific Waivers
- F. Public Housing Operating Subsidy Grant Reporting
- G. MTW Statutory Requirements
- H. Evaluations
- I. MTW Certifications of Compliance

Information to be Collected for MTW Activities

There are many MTW activities, subject to limitations as outlined in the MTW Operations Notice, that an MTW agency may implement. Each MTW agency will likely only engage in a subset of these MTW activities. The MTW Supplement will first ask MTW agencies to identify which MTW activities they are proposing to implement and which of those MTW activities they are already implementing. MTW agencies will subsequently be asked to provide information only about the MTW activities they are proposing to implement or are already implementing. This feature will reduce respondent burden. MTW waivers have associated MTW activities. MTW agencies are also able to combine MTW activities into their own initiatives.

MTW agencies will be asked for specific information about each MTW activity they are proposing to implement or are already implementing. There are six types of questions that could be asked about each MTW activity. The exact mix of questions will depend partly upon the MTW activity and partly upon the requirements for that MTW activity listed in the MTW Operations Notice. The six types of questions are:

- (1) Core—questions applicable to most MTW activities
- (2) Custom—questions specific to an individual MTW activity
- (3) Safe Harbor Waiver—questions asked when the MTW activity requires a Safe Harbor Waiver
- (4) Hardship Policy—questions asked when the MTW Operations Notice requires a hardship policy for the MTW activity
- (5) Impact Analysis—questions asked when the MTW Operations Notice requires an impact analysis for the MTW activity
- (6) Agency-Specific Waiver—questions asked when the MTW activity requires an Agency-Specific Waiver

Questions

The questions are presented below by type, beginning with the core questions. In the final online version of the MTW Supplement, the relevant questions from each type will be asked together in relation to each MTW activity the MTW agency is proposing to implement or is already implementing. The final online version of the MTW Supplement will be set up to allow for different versions of the same MTW activity—for instance, a different minimum rent for the non-elderly/non-disabled than for the

elderly/disabled. The final online version of the MTW Supplement will also be able to autofill items with information from previous years. This feature will reduce respondent burden.

Table 1, at the end of this document, lists the MTW activities and indicates which types of questions need to be asked about each one.

MTW SUPPLEMENT TO THE ANNUAL PHA PLAN

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

OMB. No. 2577-0226

Expires: 03/31/2024

Purpose. The Moving to Work (MTW) Supplement to the Annual PHA Plan informs HUD, families served by the PHA, and members of the public, about the MTW Waivers and associated activities that the MTW agency seeks to implement in the coming Fiscal Year and updates the status of MTW activities that have been previously approved. It also provides information about Safe Harbor Waivers, Agency-Specific Waivers, compliance with MTW statutory requirements, and evaluations. The MTW Supplement does not replace the PHA Plan. MTW agencies must continue to submit the applicable PHA Plan. MTW agencies that are not required to submit annual PHA Plans under the Housing and Economic Recovery Act of 2008 (HERA) must submit the MTW Supplement annually, in addition to holding public hearings, obtaining board approval, and consulting with Resident Advisory Boards (RABs) and tenant associations, as applicable, on planned MTW activities.

Applicability. Form HUD-50075-MTW is to be completed annually by all MTW agencies brought onto the MTW Demonstration Program pursuant to Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute) or legacy MTW agencies that chose to follow the requirements of the MTW Operations Notice.

Definitions. All terms used in this MTW Supplement are consistent with the definitions stated in the MTW Operations Notice, including:

- (1) **Local, Non-Traditional Activities (LNT)** – Those MTW activities that use MTW funding flexibility outside of the Housing Choice Voucher (HCV) and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937.
- (2) **Safe Harbors** – The additional parameters or requirements, beyond those specified in the MTW activity description itself found in the MTW Operations Notice, following each activity description, that the MTW agency must follow in implementing MTW activities.
- (3) **Substantially the Same Requirement** – A statutory MTW requirement that MTW agencies must continue to assist substantially the same total number of eligible low-income families as would have been served absent the MTW demonstration.

A. PHA INFORMATION

A.1 PHA Name: Housing Authority of the County of Santa Cruz

PHA Code: CA072

MTW Supplement for PHA Fiscal Year Beginning (MM/DD/YYYY): 07/01/2023

PHA Program Type: Public Housing (PH) only
 Housing Choice Voucher (HCV) only
 Combined

MTW Cohort Number: 4 (Asset Building)

MTW Supplement Submission Type:
 Annual Submission
 Amended Annual Submission

B. NARRATIVE

B.1 MTW Supplemental Narrative.

The narrative provides the MTW agency with an opportunity to explain to the public, including the families that it serves, its MTW plans for the fiscal year and its short and long-term goals.

The MTW agency should provide a description of how it seeks to further the three MTW statutory objectives during the coming Fiscal Year. Those three MTW statutory objectives are: (1) to reduce cost and achieve greater cost effectiveness in federal expenditures; (2) to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (3) to increase housing choices for low-income families.

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) 2023 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC looks forward to working with HUD and the evaluation team to develop and implement asset building activities and to better understand perspectives and experiences of assisted households participating in the "Opt-Out Savings Account" initiative through the program evaluation process. Additionally, HACSC will actively participate in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building.

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

Economic Mobility: Implementation of the Opt-Out Savings Account initiative will be the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 365 days. HACSC anticipates these initiatives will reduce or eliminate regressive aspects of the program and will encourage assisted households to seek employment opportunities, increased wages, and build assets.

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

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

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

C. MTW Waivers and Associated Activities

NOTE: MTW agencies are reminded that all MTW Waivers and associated activities must be implemented in accordance with the MTW Operations Notice and within its safe harbors unless a Safe Harbor or Agency-Specific Waiver approval is provided by HUD, in which case, the activity utilizing the Safe Harbor or Agency-Specific Waiver must be implemented in accordance with the terms of the approval.

Screener:

For all MTW Waivers and Activities in Section C, the screening question listed below will be presented in the fillable form. This will allow the form to only display those waivers that input where is required.

Each waiver and activity will be listed with the following choices. If “Not Currently Implemented” is selected, the agency will not be shown any further questions for the activity.

- Currently Implementing
- Plan to Implement in the Submission Year
- Will be Discontinued in the Submission Year
- Was Discontinued in a previous Submission Year
- Not Currently Implemented

Core Questions:

The following core questions apply to all of the MTW Waivers and associated activities listed in the MTW Operations Notice. The core questions collect basic information about any MTW activity proposed or implemented by MTW agencies.

- Narrative. Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.
- MTW Statutory Objectives. Which of the MTW statutory objectives does this MTW activity serve?
- Cost implications. What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.
- Different policy by household status/family types/sites? Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
- Household Status. Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?
- Family Types. Does the MTW activity apply to all family types or only to selected family types?
- Location. Depending on if responses are being provided for a public housing (PH) or HCV activity, the agency will either see questions applicable to PH or HCV.
- Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?
- Does this MTW activity require a hardship policy?
- Does the MTW activity require an impact analysis?

As this is the first year of MTW for HACSC, questions pertaining to last year’s performance of the activity will be answered with “0”, “N/A” or “none.”

Custom Questions:

Custom questions are tailored to each MTW activity. In what follows, the MTW activities are listed with their custom questions. The final online version of the MTW Supplement will be set up so that if an MTW activity is the same in the HCV and/or public housing programs, the MTW agency fills in the information for public housing, then the information is auto populated for the HCV program. MTW agencies are asked to fill in answers only to questions that are relevant to the MTW activities they propose to implement or are already implementing.

As this is the first year of MTW for HACSC, questions pertaining to last year’s performance of the activity will be answered with “0”, “N/A” or “none.”

1. Tenant Rent Policies	
b. Tiered Rent (HCV)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
q. Impute Income (HCV)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
u. Elimination of Deductions (HCV)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Plan to Implement in the Submission Year

2. Payment Standards and Rent Reasonableness	
a. Payment Standards – Small Area Fair Market Rents (FMR) (HCV)	Not Currently Implemented
b. Payment Standards – Fair Market Rents (HCV)	Plan to Implement in the Submission Year
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third Party Requirement	Plan to Implement in the Submission Year

3. Reexaminations	
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
d. Self-certification of Assets (HCV)	Plan to Implement in the Submission Year

4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-Based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-Based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV-Tenant-Based Assistance)	Not Currently Implemented

5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented

6. Short-Term Assistance	
b. Short-Term Assistance (HCV)	Not Currently Implemented

7. Term-Limited Assistance	
b. Term-Limited Assistance (HCV)	Not Currently Implemented

8. Increase Elderly Age (PH & HCV)	
a. Increase Elderly Age (HCV)	Not Currently Implemented

9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Plan to Implement in the Submission Year
b. Increase PBV Project Cap (HCV)	Plan to Implement in the Submission Year
c. Elimination of PBV Selection Process for PHA-Owned Projects without Improvement, Development, or Replacement (HCV)	Plan to Implement in the Submission Year
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Plan to Implement in the Submission Year

10. Family Self-Sufficiency Program with MTW Flexibility	
a. HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented

10. Family Self-Sufficiency Program with MTW Flexibility	
c. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d. HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

11. MTW Self-Sufficiency Program	
a. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

12. Work Requirement	
b. Work Requirement (HCV)	Not Currently Implemented

13. Use of Public Housing as an Incentive for Economic Progress (PH)	Not applicable
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14. Moving On Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Plan to Implement in the Submission Year
b. HCV Allow Income Calculations from Partner Agencies (HCV)	Plan to Implement in the Submission Year
c. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Plan to Implement in the Submission Year

15. Acquisition without Prior HUD Approval (PH)	Not applicable
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16. Deconcentration of Poverty in Public Housing Policy (PH)	Not applicable
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17. Local, Non-Traditional Activities	
a. Rental Subsidy Program	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Not Currently Implemented

Core and Custom Question Answers for Activities Plan to Implement in Submission Year:

1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)
Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.
Custom Question: What inclusions or exclusions will be eliminated, modified, or added? 1. Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness <input checked="" type="checkbox"/> Self-sufficiency <input checked="" type="checkbox"/> Housing Choice
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Increased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> to all assisted households
This MTW activity requires a Safe Harbor Waiver to include elderly or disabled.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

2.b. Payment Standards – Fair Market Rents

The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.

Custom Question: Please explain the payment standards by FMR.

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

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Cost Neutral

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

- to all assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does require a hardship policy.

This MTW activity does require an impact analysis.

2.d. Payment Standards and Rent Reasonableness. Third Party Requirement (HCV)

HACSC will no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department's request, the agency must obtain the services of a third-party.

Custom Question: Please explain or upload a description of the quality assurance method.

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

Custom Question: Describe Rent Reasonableness Determination Method:

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

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

This MTW activity has the following cost implications:

- Decreased expenditures

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

- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Applies only to units owned or controlled by the PHA.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis

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

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

What is the recertification schedule?

Other [If checked]: At least every three years for fixed-income families and at least every two years for all remaining families.

How many interim recertifications per year may a household request?

2 or more

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

The HACSC will conduct reexaminations for fixed-income families at least every three years and will conduct reexaminations for all remaining (non-fixed-income families) at least every two years.

Between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the HCV Administrative Plan and will include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment.

HACSC will reserve the right to conduct reexaminations more frequently either for administrative or for financial reasons.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity has the following cost implications:

Increased expenditures

Decreased expenditures

Cost effectiveness

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

to all assisted households

There is no Safe Harbor Waiver requested for this activity.

This MTW activity does require a hardship policy.

This MTW activity does require an impact analysis.

3.d. Reexaminations. Self-Certification of Assets (HCV)

At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.

Custom Question: Please state the dollar threshold for the self-certification of assets.

Threshold: \$50,000

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity has the following cost implications:

Decreased expenditures

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

to all assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

5c. Housing Quality Standards. Third Party Requirement (HCV)

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

Custom Question: Please explain or upload a description of the quality assurance method.

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

MtW Statutory Objectives. This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

Cost Implications. This MTW activity has the following cost implications:

- Decreased expenditures

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

- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Applies only to units owned or controlled by the PHA.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

9.a. Project-Based Voucher Program Flexibilities (PBV). Increase PBV Program Cap (HCV)

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

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

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

What percentage of total authorized HCV units will be authorized for project-basing? 50%

MtW Statutory Objectives. This MTW activity serves the following statutory objectives:

Housing Choice

Cost Implications. This MTW activity has the following cost implications:

Neutral

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

9.b. Project-Based Voucher Program Flexibilities (PBV). Increase PBV Project Cap (HCV)

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

This MTW activity serves the following statutory objectives:

Housing Choice

This MTW activity has the following cost implications:

Neutral

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

to all assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

9.c Project-Based Voucher Program Flexibilities (PBV). Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement

The HACSC will eliminate the independent third-party selection process in the award of PBV's to properties owned or controlled by the agency. All other PBV selection and approval requirements, including HQS compliance, NEPA review and subsidy layering review are still applicable and must be conducted. The HACSC will comply with all Safe Harbor requirements including (1) A subsidy layering review must be conducted; (2) The agency must complete site selection requirements; (3) HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f); (4) The agency is subject to Notice PIH 2013-27 where applicable, or successor; and (5) Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity has the following cost implications:

Decreased expenditures

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

to all assisted households

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

New admissions and currently assisted households

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

all family types

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

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers: **Applies only to units owned or controlled by the PHA.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

9.h Project-Based Voucher Program Flexibilities (PBV). Limit Portability for PBV Units (HCV)

HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity has the following cost implications:

Decreased expenditures

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

to all assisted households

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

New admissions and currently assisted households

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

all family types

14.a. Moving on Policy – Waive Initial HQS Inspection Requirement (HCV)

HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

This MTW activity has the following cost implications:

- Decreased expenditures

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

- only to a subset or subsets of assisted households **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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

- Currently assisted households only

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

- Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs.**

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

- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

14.b. Moving on Policy – Allow Income Calculations from Partner Agencies (HCV)

HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity has the following cost implications:

Decreased expenditures

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

only to a subset or subsets of assisted households **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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

Currently assisted households only

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

Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

14.c Moving on Policy – Aligning Tenant Rents and Utility Payments between Partner Agencies

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

This MTW activity serves the following statutory objectives:

Housing Choice

This MTW activity has the following cost implications:

Increased expenditures

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

only to a subset or subsets of assisted households: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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

Currently assisted households only

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

Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

D. SAFE HARBOR WAIVERS

D.1. Safe Harbor Waivers seeking HUD Approval:

The MTW Operations Notice describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I. For each Safe Harbor Waiver request, a document that includes the following information must be provided: (a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor, (b) the specific safe harbor and its implementing regulation, (c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver, (d) a description of the local issue and why such an expansion is needed to implement the MTW activity, (e) an impact analysis, (f) a description of the hardship policy for the MTW activity, if applicable, and (g) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit request for approval of a Safe Harbor Waiver this year? **The HACSC will submit one request for approval of a Safe Harbor Waiver.**

No Yes

1.w.
1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)
The specific safe harbor and its implementing regulation: The safe harbor for the Alternative Income Exclusion (HCV) waiver states that an agency must exempt elderly and disabled individuals from this rent determination policy. The relevant implementing regulation is the definition for Annual Income located at 24CFR5.609.
The proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver: The HACSC intends to apply this waiver to all households instead of excluding elderly and disabled households, which is outside of Safe Harbor.
A description of the local issue and why such an expansion is needed to implement the MTW activity: The waiver being requested would allow the HACSC to exclude income from MTW asset building activities for the purpose of determining adjusted annual income used for calculating rental subsidy. This waiver <i>benefits</i> households by reducing their contribution to rent through the exclusion of certain income. The HACSC does not wish to prevent any eligible elderly and disabled households who may receive asset-building and/or guaranteed income from the benefit of having those incomes excluded. An impact analysis is required for this activity. The proposed waiver will benefit households. No household will be adversely impacted by the proposed waiver.
A description of the hardship policy for the MTW activity, if applicable: No hardship policy is needed for this MTW activity, as the waiver being requested benefits households by reducing their contribution to rent through the exclusion of certain income.
A copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered.

E. Agency Specific Waivers

E.1. Agency-Specific Waivers for HUD Approval:

The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.

In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.

For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?

No [If no, skip to E.2] Yes [If yes, please provide a title and upload required information in a-h above for each Agency-Specific Waiver request]

The Housing Authority of the County of Santa Cruz is requesting the following two (2) Agency-Specific Waivers:

- 1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.**
- 2. 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to implement use of tenant income certification (TIC) for PBV eligibility determination at initial lease-up.**

Agency-Specific Waiver
1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.
Waive: 24 CFR 982.455 Automatic termination of HAP contract. The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 365 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness <input checked="" type="checkbox"/> Self-sufficiency
This initiative achieves one or more of the 3 MTW above statutory objectives by: This activity promotes the MTW statutory goals of self-sufficiency and cost effectiveness. The extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> to all assisted households
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> Currently assisted households only
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> all family types
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to all properties with project-based vouchers.
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Neutral
The implementation timeline for the initiative is: Upon approval of MTW Supplement, approval of revised Administrative Plan and training of staff.
This MTW activity does require an impact analysis.
Hardship: No households will be adversely affected by this MTW activity. The proposed activity allows families whose incomes have increased to the point that their rent is affordable without subsidy and who are no longer receiving any rental subsidy to have additional time before the automatic termination of their contract.
Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered will be inserted after public hearing.

Agency-Specific Waiver

2. 24 CFR 982.516 and 982 Subpart E and 983 - Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.

Waive: certain provisions of 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to implement

For PBV units that also use LIHTC, HACSC proposes to use the TIC form required under the LIHTC Program as verification of the income and assets.

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

The TIC form used by the LIHTC Program requires the client's statement of income and assets, the client's signature, and the property owner's certification that they verified the data provided by the client and is therefore reliable documentation of the client's income/asset profile.

This MTW activity serves the following statutory objectives:

Cost effectiveness

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

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

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

If previous questions is subset.

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

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

If above questions is subset.

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

only to selected family types

Please select the family types subject to this MTW activity:

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

If above question is subset.

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

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

This MTW activity has the following cost implications:

Decreased expenditures

The implementation timeline for the initiative is:

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

This MTW activity does require an impact analysis.

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

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

E.2. Agency-Specific Waiver(s) for which HUD Approval has been Received:

For each previously approved Agency-Specific Waiver(s), a set of questions will populate.

Does the MTW agency have any approved Agency-Specific Waivers?

Yes No [If no, question set concludes]

F. PUBLIC HOUSING OPERATING SUBSIDY GRANT REPORTING

Not applicable as the Housing Authority of the County of Santa Cruz does not have Public Housing.

G. MTW STATUTORY REQUIREMENTS

G.1. 75% Very Low Income – Local, Non-Traditional.

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

G.2. Establishing Reasonable Rent Policy.

Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?

Yes No

[If Yes]: please describe the MTW agency’s plans for its future rent reform activity and the implementation timeline.

The HACSC is implementing an alternative reexamination schedule which encourages full employment and self-sufficiency by allowing families to retain income increases between biennial or triennial reexaminations. This will be implemented once the MtW Supplement, Agency and Administrative Plans are approved, and staff is trained.

G.3. Substantially the Same (STS) – Local, Non-Traditional

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

G.4. Comparable Mix (by Family Size) – Local, Non-Traditional

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

G.5. Housing Quality Standards

Certification is included in MTW Certifications of Compliance for HCV and local, non-traditional program.

H. PUBLIC COMMENTS

H.1.

Please provide copy of all comments received by the public, Resident Advisory Board, and tenant associations.

Response pending.

Please attach a narrative describing the MTW agency's analysis of the comments and any decisions made based on these comments.

Response pending.

If applicable, was an additional public hearing held for an Agency-Specific Waiver and/or Safe Harbor waiver? Yes No

If yes, please attach the comments received along with the MTW agency's description of how comments were considered.

Response pending.

I. EVALUATIONS

I.1. Please list any ongoing and completed evaluations of the MTW agency's MTW policies, that the PHA is aware of, including the information requested in the table below.

Does the PHA have an agency-sponsored evaluation? Yes No

J. MTW CERTIFICATION OF COMPLIANCE

The MTW agency must execute the MTW Certifications of Compliance form and submit as part of the MTW Supplement submission to HUD.

Please see form HUD-50075-MTW for the certification form that will be executed prior to MTW Supplement submission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All family types.

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

The proposed alternate reexamination schedule will impact agency finances. Specifically, the agency will experience cost savings through a reduction in the staff cost of conducting reexaminations and will experience increased costs through anticipated increases in the average subsidy payment (HAP) received by program families whose reexaminations are performed less frequently.

It is estimated that the proposed reexamination schedule will result in approximately 3,000 fewer reexaminations over the course of a year. This represents a 27% decrease in the workload of the Housing Programs Department, representing a potential savings of approximately \$500,000. While this savings is significant, it is likely to be more than offset by increases in average HAP payments to families.

It is much more difficult to estimate the potential increase in subsidy (HAP) associated with the proposed policy. HAP is inversely related to household income, meaning that when incomes go up, HAP goes down, and vice versa. In HACSC's programs, 38% of households have Social Security, SSI, and pensions as their only form of income. These households experience COLA increases every year, including large increases in recent years due to high inflation. For the remaining (non-fixed income) families, the cost of the proposed policy will be directly related to the average increase in household income, and the extent to which those increases are more or less than any increases in payment standard. Staff is currently in the process of evaluating various factors to estimate the potential increase in HAP related to the proposed policy. HACSC will closely monitor increases in HAP and may conduct annual reexaminations more frequently if needed.

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 proposed policy will benefit families. Fixed income families will benefit because their portion of rent will not increase due to the modest COLAs they receive in between triennial reexaminations. Non-fixed income families will also benefit, and will retain all of the increased income associated from additional wages for up to two years before their next reexamination is conducted and their portion of rent is redetermined.

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

HACSC does not expect any impact to the amount of time families wait on the waiting list.

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

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

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

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

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

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

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

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

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

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

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

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

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

Agency-Specific Waiver
Waiver Description: 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.
Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 365 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
Which of the MTW statutory objectives does this MTW activity serve?
<input checked="" type="checkbox"/> Cost effectiveness. <input checked="" type="checkbox"/> Self-sufficiency. <input type="checkbox"/> Housing Choice
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
The waiver applies only to currently assisted households.
Does the MTW activity apply to all family types or only to selected family types?
This waiver applies to all family types
Please select the family types subject to this MTW activity.
All family types.
Impact on the agency's finances (e.g. how much will the activity cost, and any change in the agency's per family contributions.)
HACSC anticipates that this proposed waiver is cost neutral and will not impact agency costs.
Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs. The proposed waiver is directly specifically to households whose incomes have increased to the point where they are not receiving any subsidy whatsoever. The increase in time before automatic termination of the HAP contracts provides an additional safety net in case the family experiences a decrease in income and needs to resume receiving rental assistance.
Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist.)
HACSC anticipates that this proposed waiver will not impact the amount of time families wait on the waiting list.

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

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

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

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

HACSC anticipates that this proposed waiver will not impact the agency's termination rate of families.

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

HACSC anticipates that this proposed waiver will not impact the agency's current utilization rate in the HCV program.

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

This proposed waiver will support the MTW statutory goal of cost effectiveness self-by providing enhancing the coordination between PBV owners with LIHTC, prospective tenants and residents of these units, and HACSC. This waiver will provide efficiency to obtain the necessary verification of income and assets needed at initial eligibility and continued occupancy.

Impact on the agency's ability to meet the MTW statutory requirements;

HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.

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

Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

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

HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.

Implementation timeline.

HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.

Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.

Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.