

For Public Comment

Housing Authority of the County of Santa Cruz
Moving to Work (MTW) Supplement to the PHA Annual Plan
Inclusive of all Agency Specific Waivers
For Fiscal Year Beginning 7/1/2026

PHA Name : Housing Authority of The County of Santa Cruz

PHA Code : CA072

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): [07/01/2026](#) ~~7/1/2025~~

PHA Program Type: Combined

MTW Cohort Number: Asset Building

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) ~~2026~~ ~~2025~~ Moving to Work (MTW) Supplement ~~component of~~ to 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 has worked for the past ~~two~~ three years with HUD and the evaluation team to develop, implement and evaluate the "Opt-Out Savings Account" initiative. HACSC has also actively participated 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. The final deposits into the participants' savings accounts will be made in February, 2026.

This supplement identifies the MTW waivers and activities that HACSC has implemented and hopes to 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 is 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. In the first year, the HACSC partnered with a financial capabilities service organization which has provided individual financial coaching sessions to Opt-Out Savings Program participants. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 360 days. HACSC will continue exploring opportunities to encourage assisted households to seek employment opportunities, increased wages, and build assets.

Cost Effectiveness: HACSC is leveraging MTW authority and has implemented a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers are enabling HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC conducting certain HQS functions and PBV processes in which third-party assistance was previously required has eliminated administrative time spent coordinating contractors and supports tenants to secure housing. Administrative time savings have allowed HACSC to provide additional resources to our families through the addition of a new Resident Services Coordinator.

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 is being achieved through our increase to the PBV program cap and PBV project cap. ~~The ability to expand~~ Expansion of the PBV program ~~is has~~ already provided ~~ed~~ ing hundreds of new affordable housing opportunities to program participants and continues to support the development of hundreds of new affordable housing units within our community. Additionally, housing choice will be expanded through implementation of ~~an the~~ Agency Specific Waiver Alternative Total Development Cost (TDC) Calculation Methodology ~~to adopt an alternative reasonable cost formula to include Hard Construction Cost (HCD) and Total Development Cost (TDC)~~ for development and construction activities under the local non-traditional activities.

HACSC is excited to be participating in the Asset Building Cohort and implementing MTW waivers that achieve HUD's statutory objectives. These activities align with the HACSC mission and our long-term vision for MTW.

Under the MTW Operations Notice, the Housing Authority of the County of Santa Cruz is authorized to flexibly and interchangeably utilize Public Housing Operating Fund, Capital Fund Program and certain Housing Assistance Payments funds for any purpose authorized under Sections 8 and 9 of the US Housing Act of 1937 and for local, non-traditional activities. The agency may utilize this flexibility over the fiscal year to support activities described in the Annual Plan in accordance with the requirements of the Operations Notice. HACSC intends, per Federal Register Notice FR-6284-N-01, to extend the term of FUP-Youth and FYI voucher assistance for up to an additional 24 months for youth participating in the HACSC Family Self-Sufficiency (FSS) program or who otherwise meet the criteria for extension as stipulated in FR-6284-N-01.

The Housing Authority may utilize LNT authority under waiver 17.c. for Housing Development Programs. The Housing Authority invested a total of \$10.87 million in MTW funds to support both the development and early operations of the Natural Bridges property. This investment occurred in two phases. First, an \$8.05 million Development Loan, originated in December 2023, provided the core funding needed for construction and initial project start-up. Then in 2025, the Housing Authority supplied an additional \$2.82 million through two operating loans, which supported the property as it moved into occupancy, covered early operating needs, and helped the project stabilize financially. Together, these two financing events make up the full amount of MTW funds invested in the project. This funding helped Natural Bridges to be completed, opened to residents, and positioned for long-term success as affordable housing in the community.

The Housing Authority ~~purchased~~ ~~has an Option Agreement to acquire~~ “Chanticleer” at 2021 – 2031 Chanticleer Avenue, Santa Cruz, CA 95602 ~~from the seller. The Housing Authority plans to use~~ utilizing MTW funds. ~~for the acquisition. At the time of purchase,~~ The Housing Authority will record a regulatory agreement and declaration of restrictive covenants in which the property must be used for the development of affordable housing and for the units to be occupied by low-income households with incomes at or below 80% of the Santa Cruz County area median income level. The Housing Authority has authorized a pre-development loan to support the project using LNT funding. In addition, the Housing Authority may utilize LNT authority to purchase an adjacent property, 2030 17th Avenue, to accommodate better access and additional housing units for the 2021 Chanticleer project. A regulatory agreement and declaration of restrictive covenants will be recorded for this parcel. ~~After acquisition,~~ The project is anticipated to consist of the new construction of an estimated 50-60 affordable units, with the exact amount and AMI levels to be determined pending a feasibility analysis. The proposed unit mix includes 50% two-bedroom and three-bedroom units, with the remaining 50% of units to include studios and or one-bedrooms. The Housing Authority is currently conducting the feasibility analysis to determine the cost and source of funds to support the development and construction of the project. The Housing Authority anticipates MTW funds will also be used to support the development and construction costs of this project utilizing LNT authority and will seek other non-MTW funding such as low-income housing tax credits, HOME, CDBG, and other state and local funding.

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

1. Tenant Rent Policies	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Currently Implementing Plan to Implement in the Submission Year
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Currently Implementing
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Currently Implementing
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Currently Implementing
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented

b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Currently Implementing
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)	Currently Implementing
d. Alternative Inspection Schedule (HCV)	Plan to Implement in the Submission Year
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Plan to Implement in the Submission Year Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	
Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Currently Implementing
b. Increase PBV Project Cap (HCV)	Currently Implementing
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Currently Implementing
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types Shared Housing and Manufactured Housing: HCV	Plan to Implement in the Submission Year 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)	Currently Implementing

10. Family Self-Sufficiency Program with MTW Flexibility	
a. PH Waive Operating a Required FSS Program	Not Currently Implemented
a. HCV Waive Operating a Required FSS Program	Not Currently Implemented
b. PH Alternative Structure for Establishing Program Coordinating Committee	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee	Not Currently Implemented
c. PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d. PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d. HCV Modify or Eliminate the Contract of Participation (HCV)	Currently ImplementingPlan to Implement in the Submission Year
e. PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Currently ImplementingPlan to Implement in the Submission Year
11. MTW Self-Sufficiency Program	
a. PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b. PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Currently Implementing
b. PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b. HCV Allow Income Calculations from Partner Agencies (HCV)	Currently Implementing
c. PH Aligning Tenant Rents and Utility Payments Between Partner Agencies	Not Currently Implemented
c. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies	Currently Implementing
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented

17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Plan to Implement in the Submission Year Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Currently Implementing

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

1.o. - Initial Rent Burden (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>HACSC will waive the maximum family share at initial occupancy of 40% of the family's monthly income. HACSC will not allow the family share at initial occupancy to exceed 50% of the family's monthly income.</p> <p>Santa Cruz County is currently the most expensive rental market in the nation. HACSC requests this waiver to promote increased housing choice for households, allowing HCV participants more options in their housing search. Implementation of this activity allows participants to look for housing that may be more costly than otherwise permitted under HUD regulations, but it also gives participants the option to live in lower poverty neighborhoods with access to better schools and employment opportunities</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>This waiver has been implemented. N/A</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>

1.u. - Standard Deductions (HCV)

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

The HACSC intends to establish a standard deduction for medical expenses applicable to all elderly and disabled households with medical expenses exceeding an established threshold. The standard deduction for medical expenses and the threshold at which it applies shall both be indicated in the HACSC Section 8 Administrative Plan. Eligible elderly and disabled families who claim medical expenses at or above the established threshold will be required to sign a self-certification.

This MTW activity doesn't impact the family's eligibility to receive the elderly/disabled and dependent deductions in accordance with §5.611(a)(1) – (a)(2).

For purposes of this MTW activity, medical expenses are defined in accordance with 24 CFR §5.603: Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

For FY starting 7/1/2024, the proposed standard deduction for medical expenses is \$1,500 for elderly and disabled households with expenses at or above a \$1,500 threshold. HACSC will periodically adjust the amount of the standard medical deduction, adhering to HUD's methodology for calculating inflationary adjustments for the elderly/disabled family deduction, pursuant to a pending HUD Federal Register notice.

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

Households may request a Medical Expense Hardship exemption to the standard deduction in accordance with the HACSC Medical Expense Hardship Policy. Families requesting a hardship exception will be asked to complete a medical expense verification packet, and may be asked to provide supporting documents, receipts, and/or contact information of healthcare providers that can verify the expenses.

Staff currently spend a significant amount of time calculating medical expenses to determine a household's allowable medical expense deduction. By establishing a standard deduction for medical expenses, and by allowing households eligible for the standard deduction to self-certify their medical expenses and applying a standardized deduction, significant staff time will be saved. It's anticipated that savings in staff time previously spent calculating medical expenses can be redirected to direct client services or other programs benefiting the clients served by HACSC.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

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

Elderly and disabled

<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and all properties with project-based vouchers.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The activity was approved by HUD in October 2024 and HACSC <u>has implemented the waiver as proposed.</u> is in the process of implementation. Staff training and Yardi setup are scheduled for Spring 2025, with an anticipated effective date of 7/1/2025.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p><u>One.</u> No hardship were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>How much will the single standard deduction be in the Fiscal Year?</p> <p>\$1,500</p>

1.w. - Alternative Income Inclusions/Exclusions (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Self-sufficiency; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The asset-building activities have been implemented, with deposits effective March 2024. The final deposits for the two-year pilot program will be made in February 2026, after which this activity will be discontinued.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>Yes</p>
<p>What is the status of the Safe Harbor Waiver request?</p> <p>The waiver was previously approved.</p>
<p>Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity.</p> <p>Income attributable to the asset-building activities our PHA has implemented as part of the MTW Asset Building cohort are excluded. This safe harbor waiver contributes to the success of the asset building program.</p>
<p>What inclusions or exclusions will be eliminated, modified, or added?</p> <p>Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort is excluded.</p>

2.b. - Payment Standards- Fair Market Rents (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has established payment standards ranging between 80% and 120% of the Fair Market Rent (FMR). This strategic utilization of payment standards offers flexibility within a reasonable range, aiming to accommodate varying housing market conditions for the benefit of program participants.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>No hardship were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>Please explain the payment standards by FMR:</p> <p>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.</p>

2.d. - Rent Reasonableness – Third-Party Requirement (HCV)**Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative**

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

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

Cost effectiveness; Housing choice

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

Applies only to units owned or controlled by the PHA.

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

The Housing Authority has implemented the waiver and no longer uses a third party to conduct rent reasonable tests for at properties owned and/or controlled by the Agency.

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

No

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

The HACSC has developed and implemented 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. An explanation is provided in lieu of an uploaded document. No document is attached.

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

Reasonable rent is currently determined using information produced by 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. An explanation is provided in lieu of an uploaded document. No document is attached.

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

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

This waiver provides HACSC with the necessary flexibility to conduct reexaminations as often as needed for cost savings measures, or at least once every three-years to allow participants~~Reducing the frequency of household certifications- allows participants~~ to keep more of their income as their income increases. Longer intervals between reexaminations ~~It also~~ reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. ~~This and waiver~~ gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. To enhance self-sufficiency and increase housing choice, HACSC will not perform an interim reexamination for earned and/or unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

There is no limit to the number of interim reexaminations a family may request per year, without requesting a hardship, for qualifying events.

The activity meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.

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

Cost effectiveness; Self-sufficiency

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

~~HACSC has implemented the waiver with no changes to the waiver request as submitted.~~ With HACSC's waiver of certain provisions of 24 CFR Part 982.516(a) and (c), HACSC has introduced an Alternative Reexamination Schedule to streamline reevaluation processes. Under this initiative, MTW households reliant on fixed-income sources have been undergoing ing reexaminations at least every three years, non-fixed income MTW households every two years, and all other households annually. Fixed income is defined as stable and primary income sources such as Social Security, Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. As this waiver was written and implemented, HACSC conducts interim adjustments to redetermine subsidy only when the household experiences a qualifying event. Qualifying events are described in the HCV Administrative Plan and include decreases in income, increases in income when requested by the household, changes in household composition, and changes to the contract rent. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Effective 7/1/2026, HACSC intends to utilize the full flexibility of this waiver to establish a policy of conducting re-examinations triennials (at least every three years) for all households. However, HACSC reserves the right to and conduct reexaminations as more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other ~~or may place any family on an alternative reexamination schedule of up to as long as all families are recertified at least every three years.~~ Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>No hardships were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>The document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>What is the recertification schedule?</p> <p>Other</p> <p>The Housing Authority will conduct reexaminations <u>at least every three years, but may conduct reexaminations more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other alternative reexamination schedule as long as all families are recertified at least every three years.</u> as often as needed for cost savings measures and may place any household on a reexamination schedule of up to three years. for fixed-income households at least every three years, conduct reexaminations for non-fixed income households under MTW flexibility at least every two years, and all other households will have a reexamination conducted annually. Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. Zero income families are not considered to be fixed income; zero income families will have reexaminations conducted annually.</p> <p>In between reexaminations, the HACSC will conduct any number of interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will include decreases in income, without regard to a specified threshold, 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 financial reasons. HACSC will not perform an interim reexamination for both earned and unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family.</p> <p>Families may also request an interim reexamination under the HACSC hardship policy. A hardship may be requested if a 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.</p>
<p>How many interim recertifications per year may a household request?</p> <p>2 or more</p>
<p>Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.</p> <p>The HACSC will conduct reexaminations <u>at least every three years, but may conduct reexaminations more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other alternative reexamination schedule as long as all families are recertified at least every three years.</u> as often as needed for cost savings measures and may place any household on a reexamination schedule of up to three years. 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</p>

household experiences a qualifying event. Qualifying events are described in the HCV Administrative Plan and 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.

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

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

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.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

The Housing Authority has implemented this waiver and is allowing households to self-certify assets up to \$50,000. This initiative simplifies the asset verification process, empowering eligible households to self-report assets within the specified threshold.

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

No

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

\$50,000.

5.c. - Third-Party Requirement (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>HACSC eliminated the requirement for third -party inspections on units at properties the PHA owns, manages, and/or controls, 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. HACSC will comply with all waiver safe harbors.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies to all family types</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to units owned or controlled by the PHA.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has removed the requirement for third-party inspections on all units, both PBV and HCV, owned or controlled by the Agency. This strategic move is streamlining operations, reducing staff workload, and enhancing cost efficiency by eliminating the need for external inspections.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Please explain or upload the description of the quality assurance method:</p> <p>HACSC has developed and implemented procedures for the conduct of regularly scheduled quality control of PHA-owned PBV and HCV unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities.</p> <p>An explanation is provided in lieu of an upload. No document is attached.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>

5.d. - Alternative Inspection Schedule (HCV)

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

HACSC proposes to modify the frequency of inspections for both HCV and PBV Units, to be conducted every three years instead of every two years. This change will result in the ability to reallocate staff time to better meet the needs of residents and participants and working with the community to assess and help meet other housing needs. Participants and/or property owners will continue to be able to request an inspection at any time. This change does not allow any alteration of the Housing Quality Standards, nor does it prohibit the Housing Authority from requiring an inspection at any time for health, safety and accessibility issues. This change will save staff time thus allowing staff to devote more time to supporting participants and the housing issues in the larger community and reduce the burden on participants and property owners who need to schedule time to open up the unit to our inspectors.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

[The waiver is in the process of being implemented.](#) ~~N/A~~

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

No

6.b. - Short-Term Assistance (HCV)

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

HACSC proposes to create a short-term housing assistance program with supportive services in its HCV program. The term of assistance will not be shorter than 3 months. The term of assistance will not be longer than 36 months. The short-term housing assistance program will include supportive services in one or more buildings (which may be in collaboration with local community-based organization and government agencies). Subject to voucher and funding availability, successful participants of the short-term housing assistance program will be given the option of transferring into the Housing Choice Voucher program. Under no circumstances will participants be required to participate in supportive services that are targeted to persons with disabilities in general, or persons with any specific disability. HACSC will not require participation in supportive services as a condition for housing subsidy for elderly and disabled families. If HACSC requires participation in supportive services as a condition for housing subsidy, an impact analysis will be developed and adopted in accordance with MTW guidance prior to the implementation of the activity. If HACSC requires participation in supportive services as a condition for housing subsidy, a hardship policy will be developed and adopted in accordance with MTW guidance prior to the implementation of the activity.

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

Self-sufficiency; Housing choice

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

Increased expenditures

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

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

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

Currently assisted households and new admissions.

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

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

All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.

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

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

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

The activity applies to all tenant-based and all project-based units.

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

N/A

Does this MTW activity require a hardship policy?

No

[No document is attached.](#)

[Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?](#)

[No](#)

[Does the MTW activity require an impact analysis?](#)

[No](#)

[No document is attached.](#)

[What is the term of assistance?](#)

[Up to 36 months](#)

[How is the tenant contribution established for this program?](#)

[Standard HCV calculation methods](#)

[How many households do you expect to serve in this program in the Fiscal Year?](#)

[50](#)

[How do you fulfill the obligation to offer participants in this program the opportunity to transition to the HCV or public housing \(as applicable\) program subject to availability?](#)

[All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.](#)

[Please list any partner organizations and briefly note the services that each provides.](#)

[The Continuum of Care \(CoC\) is collaborating with HACSC to identify strategies ensuring supportive services are available. The CoC has multiple agencies under contract for provision of supportive services.](#)

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

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

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

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

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

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

This waiver has been implemented as planned, and HACSC has ~~is~~ continued ~~ing~~ to spur new affordable housing production with awards of project-based vouchers to projects selected through the RFP process. ~~HACSC has introduced a new PBV Request for Proposals and will continue to expand the PBV portfolio. Before the end of FY 2024-25, HACSC's total commitment of PBVs is anticipated to exceed 30% of our ACC Authorized Units.~~

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

No

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

50.00%

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

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

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

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

Housing choice

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

Neutral (no cost implications)

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

The MTW activity applies to all assisted households

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

The Housing Authority initially implemented this waiver in FY 2023-24 to allow more than the greater of twenty-five units or 40% of the units at a complex to receive PBV assistance and introduced a new PBV Request for Proposals. The Housing Authority has since reduced the PBV Project Cap back down to the greater of 15 units or 40 percent of the units at the project. The waiver as approved still allows HACSC to award up to 100% of the units at a project.

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

No

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

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

Under this waiver, the HACSC eliminated the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site. 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 the following Safe Harbor requirements (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), unless MTW waiver 5.c. or an Agency-Specific Waiver is implemented; (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. The HACSC has an approved MTW waiver to conduct its own inspections for PHA-owned or controlled units.

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

Cost effectiveness

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

Decreased expenditures

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

Applies only to units owned or controlled by the PHA.

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

The HACSC eliminated the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site.

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

No

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

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

HACSC proposes to attach and pay PBV assistance for shared housing units and/or manufactured housing, in accordance with Safe Harbor provisions:

- i. PBV units must comply with HQS.
- ii. PBV units must comply deconcentration and desegregation requirements under 24 CFR part 903.
- iii. A subsidy layering review must be conducted.
- iv. Shared housing units may not be owner occupied.

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

Housing choice

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

Neutral (no cost implications)

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

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

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

New admissions and currently assisted households

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

The MTW activity applies to all family types

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

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

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

N/A

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

No

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

30

How many shared housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?

0

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

0

How many manufactured housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?

0

9.h. - Limit Portability for PBV Units (HCV)

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

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.

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

Cost effectiveness

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

Decreased expenditures

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

The MTW activity applies to all assisted households

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

The Housing Authority has not yet implemented this waiver.

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

No

10.d.HCV - Modify or Eliminate the Contract of Participation (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>The agency is authorized to modify the terms of or eliminate the FSS Contract of Participation (HUD-52650), in lieu of a local form. The agency may modify the terms of the Contract of Participation to align with adjustments made to its MTW FSS Program using MTW flexibility. Further, the agency may discontinue use of the Contract of Participation and instead employ a locally-developed agreement that codifies the terms of participation. The proposed activity will meet all of the applicable safe harbor requirements in the Operations Notice.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Self-sufficiency</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Participants in the FSS Program</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and to all properties with project-based vouchers</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The waiver is in the process of being implemented. N/A</p>
<p>Does this MTW activity require a hardship policy?</p> <p>No</p> <p>No document is attached.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>No</p> <p>No document is attached.</p>

10.e.HCV - Policies for Addressing Increases in Family Income (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>HACSC proposes to increase the FSS Program incentives for income growth, resident participation, education and training outcomes. These new incentives could motivate and support residents to realize a higher degree of economic independence. HACSC proposes two parts to the escrow payment: (1) The existing monthly deposit to a participant's escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. (2) Specific dollar amounts, to be established annually, payable to a participant's escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Self-sufficiency</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Participants in the FSS Program</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and to all properties with project-based vouchers.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The waiver is in the process of being implemented. N/A</p>
<p>Does this MTW activity require a hardship policy?</p> <p>No</p> <p>No document is attached.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>

Does the MTW activity require an impact analysis?

No

No document is attached.

How will the MTW agency treat increased earnings for families participating in the FSS Program with MTW flexibility?

HACSC proposes two parts to the escrow payment:

(1) The existing monthly deposit to a participant's escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. This would be no change to how it is calculated without MTW flexibility.

(2) In addition to the standard increases to the escrow account, specific incentive payment amounts, to be established annually, payable to a participant's escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.

14.a. - Waive Initial HQS Inspection Requirement (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>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. HACSC will comply with all waiver safe harbors.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>Currently assisted households only</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of Permanent Supportive Housing Programs.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has implemented this waiver and now allows discretion for PSH residents transitioning to voucher-based assistance and staying in their current unit to potentially bypass the Initial HQS inspection. This streamlined approach aims to enhance efficiency and minimize costs during transitions, while participants retain the option to request an inspection at their convenience.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>

14.b.HCV - Allow Income Calculations from Partner Agencies (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>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. The Agency shall comply with all Safe Harbor provisions including 14.b.iv: Screenings for lifetime sex offender status and convictions of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing must continue and are not waivable.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>Currently assisted households only</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has implemented a waiver allowing the use of partner agency income calculations and documentation, aligning with 24 CFR 5.609 (defining annual income) and within a one-year timeframe. This measure is aimed at streamlining transitions, reducing costs, and simplifying the process for PSH households by eliminating redundant paperwork and easing document verification burdens, especially for vulnerable populations.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>

14.c.HCV - Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>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.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>Currently assisted households only</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has implemented a waiver enabling the adjustment of subsidies for PSH residents transitioning to voucher-based assistance, aligning with the tenant's previous rent contributions from their PSH program. This measure aims to prevent substantial increases in tenant rent payments during transitions between programs with varying subsidy structures, thereby mitigating the risk of displacement for affected individuals.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>

17.a. - Rental Subsidy Programs

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

HACSC proposes to establish a program that uses MTW Funding to provide a rental subsidy to a third-party entity such as the Housing Authority's nonprofit organization or another qualified service provider (other than a landlord or tenant). The program administrator would manage intake and administration of the subsidy program to implement activities, which may include: supportive housing programs and services to help homeless individuals and families reach independence; supportive living; rental assistance; shallow subsidies; homeless/transitional housing programs; or programs that address special needs populations.

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

Self-sufficiency; Housing choice

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

Increased expenditures

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

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

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

Currently assisted households only

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

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

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

All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.

Does the MTW activity apply to all public housing developments?

The MTW activity applies to all developments

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

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

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

The activity applies to LIHTC units or other income- or rent-restricted units with "affordable" rents that exceed 30% of tenants' income.

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

N/A

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

No

Does the MTW activity apply to all LNT units/properties?

The MTW activity applies to specific units/properties

Describe which LNT units/properties participate in the MTW activity?

The activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed 30% of tenants’ income.

17.c. - Housing Development Programs

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

HACSC intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of tax credit units, or affordable units funded with any other local, state, or federal funds. HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities. Families receiving housing or services through local, non-traditional activities must meet the definition of low-income. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice. The Agency shall comply with Safe Harbor provisions requiring compliance with Section 30 of the 1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.

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

Housing choice

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

Increased expenditures

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

The MTW activity applies to all assisted households

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

The Housing Authority has provided ~~\$8.9~~ million of LNT funding for the construction of a 20-unit affordable housing development called Natural Bridges in Santa Cruz. ~~That development is helping the Housing Authority reach its goal of providing new affordable housing opportunities to program participants in the community.~~ Construction at Natural Bridges was completed in ~~December 2024, and~~ December 2024 and leased up in January, 2025. ~~the process of moving tenants in has commenced.~~ The Housing Authority used \$2.9 million of LNT funds to purchase a 1-acre property at 2021 Chanticleer Avenue for the development of 50-60 affordable units and provided a \$4.8 million loan utilizing LNT funds to support pre-development expenses for the project. These activities are helping the Housing Authority reach its goal of providing new affordable housing opportunities to program participants in the community.

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

No

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

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Chanticleer	New Construction	TBD	560.00	560.00	0.00	0.00	0.00	0.00
<u>Chanticleer</u>	<u>Predevelopment</u>	<u>TBD</u>	<u>60.00</u>	<u>50.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Chanticleer	New Construction	TBD	560.00	560.00	0.00	0.00	0.00	0.00
Chanticleer	Predevelopment	TBD	60.00	60.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges Apartments	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00
Chanticleer	Acquisition/Predevelopment	TBD	50.00	50.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges Apartments	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00
Chanticleer	Predevelopment Acquisition	Gap Financing TBD	560.00	560.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

D.	Safe Harbor Waivers.
D.1	<p>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</p> <p>No Yes, the Safe Harbor Waiver request(s) for 1h, 1w is (are) attached.</p>

E.	Agency-Specific Waiver(s).	
E.1	<p>Agency-Specific Waiver(s) for HUD Approval:</p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.</p> <p>In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.</p> <p>For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.</p> <p>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year? Yes</p>	
	Title	Supporting Documents Attached
	Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties	<u>2</u>
	Impose Limit on PBV to HCV Conversion	<u>3</u>
	Direct Referral Program	<u>2</u>
	MTW Value Voucher	<u>2</u>
	Independent Entity Requirements for Project-Based Vouchers	
	Alternative Development Cost Limits	
PBV Subsidy Standards for PBV Units		

E. 2

Agency-Specific Waiver(s) for which HUD Approval has been Received:**Does the MTW agency have any approved Agency-Specific Waivers?**

Yes

Title	Has there been any change in how the waiver is being implemented from when it was originally approved?	Please provide a description of what has changed.
PBV Subsidy Standards	No	
Independent Entity Requirements for Project-Based Vouchers	No	
Alternative Total Development Cost (TDC) Calculation Methodology	No	
Extend Zero HAP to 360 Days	No	
Use of TIC for PBV Eligibility	Yes	HACSC initially implemented as approved, however we revised the waiver effective 7/1/2024 to: For PBV units that also are subject to the requirements of the Low-Income Housing Tax Credit (LIHTC) Program, HACSC proposes to use the TIC form required under the LIHTC Program as verification of the family's income and assets. Owners of PBV units that receive LIHTCs 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. The TIC will only be used as verification of income and assets.

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

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	

G.	MTW Statutory Requirements.
G.1	<p>75% Very Low Income – Local, Non-Traditional.</p> <p>HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.</p>
Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
80%-50% Area Median Income	0
49%-30% Area Median Income	0
Below 30% Area Median Income	<u>200</u>
Total Local, Non-Traditional Households	<u>200</u>

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

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

G.3	Substantially the Same (STS) – Local, Non-Traditional.
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	0 # of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	<u>233</u> 0 # of unit months

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

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
Natural Bridges 415 Natural Bridges Dr, Santa Cruz, CA 95060	<u>20.00</u> 0.00	0.00	0.00	0.00	0.00	0.00	<u>20.00</u> 0.00	General		<u>1.00</u> 0.00	<u>1.00</u> 0.00	Yes	\$10.87 Million 0.00
Totals	<u>20.00</u> 0	0	0	0	0	0	0	General		<u>1.00</u> 0	<u>1.00</u> 0	Yes	\$10.87 Million

G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix" of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	
Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
1 Person	20 0
2 Person	0
3 Person	0
4 Person	0
5 Person	0
6+ Person	0
Totals	0

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

I.	Evaluations.
No known evaluations.	

E.1 Agency-Specific Waiver
Waiver Title: Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties
Regulations to Waive: <p>983.302(b)(1) An owner may receive an increase in the rent to owner during the term of a HAP contract. Any such increase will go into effect at the annual anniversary of the HAP contract.</p> <p>983.302(e)(2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.</p>
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative <p>HACSC proposes waiving certain provisions of 24 CFR 983.302 to permit alignment of the rent redetermination dates of all PHA-owned/managed PBV units. With numerous properties having different PBV HAP contract anniversary dates, the annual process for redetermining rents for every property is administratively burdensome. HACSC proposes to put all PBV HAP contracts for PHA-owned properties on the same annual cycle for rent redetermination. HACSC proposes aligning all PBV HAP contracts for PHA-owned/managed PBV units to have rent redeterminations effective March 1st of every year, rather than on the annual anniversary of the HAP contract. By aligning the rent redeterminations to occur on the same annual date, HACSC anticipates reduced administrative burden and associated staffing costs.</p>
This MTW activity serves the following statutory objectives: <p>Cost effectiveness.</p>
Cost Implications <p>Decreased costs.</p>
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? <p>The MTW activity applies only to a subset or subsets of assisted households</p>
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? <p>New admissions and currently assisted households</p>
Does the MTW activity apply to all family types or only to selected family types? <p>The MTW activity applies only to selected family types</p>
Please select the family types subject to this MTW activity. <p>Other – another specifically defined target population or populations.</p>
If Other Selected in Previous Question: Please describe this target population in the text box. <p>Only residents of PHA-owned or managed PBV units.</p>
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. <p>Applies only to PBV units owned or controlled by the PHA.</p>
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Does this MTW activity require a Hardship Policy: No
Does the MTW activity require an impact analysis? Yes This document is attached.
Does the impact analysis apply to more than this MTW activity? No
Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered. Pending public hearing March 2026.

Impact Analysis
For Waiver Type: Agency Specific
Waiver Title: Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties
<p>Regulations to Waive:</p> <p>983.302(b)(1) An owner may receive an increase in the rent to owner during the term of a HAP contract. Any such increase will go into effect at the annual anniversary of the HAP contract.</p> <p>983.302(e)(2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.</p>
<p>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> <p>HACSC proposes waiving certain provisions of 24 CFR 983.302 to permit alignment of the rent redetermination dates of all PHA-owned/managed PBV units. With numerous properties having different PBV HAP contract anniversary dates, the annual process for redetermining rents for every property is administratively burdensome. HACSC proposes to put all PBV HAP contracts for PHA-owned properties on the same annual cycle for rent redetermination. HACSC proposes aligning all PBV HAP contracts for PHA-owned/managed PBV units to have rent redeterminations effective March 1st of every year, rather than on the annual anniversary of the HAP contract. By aligning the rent redeterminations to occur on the same annual date, HACSC anticipates reduced administrative burden and associated staffing costs.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness.</p>
<p>Cost Implications</p> <p>Decreased costs.</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of PHA-owned or managed PBV units.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to PBV units owned or controlled by the PHA.</p>

<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>The activity is anticipated to result in modest staff savings, and no change in the agency's per family contributions.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>No impact is anticipated.</p>
<p>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)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency's ability to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>

E.1 Agency-Specific Waiver
Waiver Title: Impose Limit on PBV to HCV Conversions
Regulations to Waive: 24 CFR 983.261(b) Family Right to Move. <i>Continued Assistance.</i> If the family has elected to terminate the lease in accordance with 24 CFR 983.261(a), the PHA must offer the family the opportunity for continued tenant-based rental assistance. The PHA must specify in the Administrative Plan whether it will offer families assistance under the voucher program or other comparable tenant-based rental assistance. If voucher assistance is offered to the family and the search term expires, the PHA must issue the voucher to the next eligible family.
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations . At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness.</p>
<p>Cost Implications</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies to all family types.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to all properties with project-based vouchers</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does this MTW activity require a Hardship Policy:</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached</p>

<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>N/A</p>
<p>Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.</p> <p>Pending public hearing March 2026.</p>

Impact Analysis
For Waiver Type: Agency Specific
Waiver Title: Impose Limit on PBV to HCV Conversions
Regulations to Waive: 24 CFR 983.261(b) Family Right to Move. <i>Continued Assistance.</i> If the family has elected to terminate the lease in accordance with 24 CFR 983.261(a), the PHA must offer the family the opportunity for continued tenant-based rental assistance. The PHA must specify in the Administrative Plan whether it will offer families assistance under the voucher program or other comparable tenant-based rental assistance. If voucher assistance is offered to the family and the search term expires, the PHA must issue the voucher to the next eligible family.
<p>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> <p>This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations . At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness.</p>
<p>Cost Implications</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies to all family types.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to all properties with project-based vouchers</p>
<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>The activity is anticipated to reduce expenses.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>No impact is anticipated.</p>

<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>It's anticipated that this activity will result in longer waits for families on the PBV Transfer Waiting List but will be offset by shorter waiting time for families on the HCV Waiting List.</p>
<p>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)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency's ability to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Hardship Policy if Required</p> <p>Hardship Situations</p> <p>Hardship situations to be considered include, but are not limited to, the circumstances listed. Exceptions will be made on a case-by-case basis.</p> <p>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;</p> <p>The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; or</p> <p>Such other situations and factors determined by the agency to be appropriate.</p> <p>Process for Agency Review and Determination</p> <p>Households may request a hardship if, when they requested an HCV to move from a PBV unit, they were informed that an HCV is not available and the agency instead offered to place them on the PBV Transfer List.</p> <p>When a resident requests a hardship exemption from this MTW activity the agency will take the following actions:</p> <p>Determine whether a hardship exists within a reasonable time after the family request, typically within 30 days.</p> <p>If the request does not meet the hardship standards, and is denied, HACSC will place the tenant on the PBV Transfer List.</p> <p>If the request does meet the hardship standards, the agency will provide an exemption from the MTW activity by issuing an HCV for an approved hardship.</p> <p>Tenant Notification of Hardship Provisions</p> <p>HACSC will notify residents of the hardship policy at intake, will review its hardship policy with residents at recertification, and will consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity.</p> <p>Grievance Procedure</p>

If an initial request for hardship is not approved, the tenant may request a second level review by notifying the agency in writing that they would like to appeal the denial. Appeals will be reviewed by and subject to the approval of the agency Executive Director.

Reasonable Accommodations

The agency will follow its existing Reasonable Accommodations process for any persons with handicaps requesting a reasonable accommodation.

Record Keeping

The agency has established record keeping policies for hardship requests and determinations.

Hardship Policy
For Waiver Type: Agency Specific Waiver
Waiver Title: Impose Limit on PBV to HCV Conversions
<p>Description of Activity</p> <p>This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations. At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.</p>
<p>Hardship Situations</p> <p>Hardship situations to be considered include, but are not limited to, the circumstances listed. Exceptions will be made on a case-by-case basis.</p> <p>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;</p> <p>The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; or</p> <p>Such other situations and factors determined by the agency to be appropriate.</p>
<p>Process for Agency Review and Determination</p> <p>Households may request a hardship if, when they requested an HCV to move from a PBV unit, they were informed that an HCV is not available and the agency instead offered to place them on the PBV Transfer List.</p> <p>When a resident requests a hardship exemption from this MTW activity the agency will take the following actions:</p> <ul style="list-style-type: none"> • Determine whether a hardship exists within a reasonable time after the family request, typically within 30 days. <p>If the request does not meet the hardship standards, and is denied, HACSC will place the tenant on the PBV Transfer List.</p> <p>If the request does meet the hardship standards, the agency will provide an exemption from the MTW activity by issuing an HCV for an approved hardship.</p>
<p>Tenant Notification of Hardship Provisions</p> <p>HACSC will notify residents of the hardship policy at intake, will review its hardship policy with residents at recertification, and will consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity.</p>
<p>Grievance Procedure</p> <p>If an initial request for hardship is not approved, the tenant may request a second level review by notifying the agency in writing that they would like to appeal the denial. Appeals will be reviewed by and subject to the approval of the agency Executive Director.</p>
<p>Reasonable Accommodations</p> <p>The agency will follow its existing Reasonable Accommodations process for any persons with handicaps requesting a reasonable accommodation.</p>

Record Keeping

The agency has established record keeping policies for hardship requests and determinations.

E.1 Agency-Specific Waiver
Waiver Title: Direct Referral Program
<p>Regulations to Waive:</p> <p>24 CFR 982.207(b)(3) <i>Preference for person with disabilities.</i> The PHA may adopt a preference for admission of families that include a person with disabilities. However, the PHA may not adopt a preference for admission of persons with a specific disability.</p> <p>24 CFR 983.251(d)(1) <i>Preference for services offered.</i> The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.</p>
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>When PBV properties with Permanent Supportive Housing (PSH) units are developed, State funding is often included in the capital stack. State funding, including programs such as CA Housing and Community Development (HCD)'s No Place Like Home (NPLH), have narrower eligibility requirements than the HCV/PBV programs. In order to ensure that such PBV units developed in partnership with the State, utilizing funds that are for provision of supportive services to targeted special needs populations, can be prioritized for the eligible population, HACSC proposes to allow the Continuum of Care (CoC) to provide direct referrals for PSH PBV units from the Coordinated Entry System, with the understanding that they will refer households in accordance with the requirements of other applicable funding sources, which may target specific populations i.e. No Place Like Home (NPLH) which requires a Serious Mental Illness (SMI) diagnosis. Implementation of this waiver is anticipated to increase housing choice by stimulating housing production, and by increasing the number of units for certain special needs populations who may not be best served through the traditional waiting list process.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Housing Choice</p>
<p>Cost Implications</p> <p>Neutral</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only special needs populations (SNPs) eligible for a special needs program such as No Place Like Home (NPLH) in which the funding for supportive services at a PBV unit is tied to eligibility for the special needs program.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>

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

Applies only to PBV units developed with federal or state development funds targeting special populations including but not limited to veterans, seniors, people with specific disabilities, farmworkers, and those experiencing homelessness, through programs such as California HCD's Homekey, No Place Like Home (NPLH) and Housing & Disability Advocacy Program (HDAP).

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

N/A

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

No

Does this MTW activity require a Hardship Policy:

No

Does the MTW activity require an impact analysis?

Yes

This document is attached

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

No

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

Pending public hearing March 2026.

Impact Analysis
For Waiver Type: Agency Specific Waiver (ASW)
Waiver Title: Direct Referral Program
<p>Regulations to Waive:</p> <p>24 CFR 982.207(b)(3) <i>Preference for person with disabilities.</i> The PHA may adopt a preference for admission of families that include a person with disabilities. However, the PHA may not adopt a preference for admission of persons with a specific disability.</p> <p>24 CFR 983.251(d)(1) <i>Preference for services offered.</i> The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.</p>
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>When PBV properties with Permanent Supportive Housing (PSH) units are developed, State funding is often included in the capital stack. State funding, including programs such as CA Housing and Community Development (HCD)'s No Place Like Home (NPLH), have narrower eligibility requirements than the HCV/PBV programs. In order to ensure that such PBV units developed in partnership with the State, utilizing funds that are for provision of supportive services to targeted special needs populations, can be prioritized for the eligible population, HACSC proposes to allow the Continuum of Care (CoC) to provide direct referrals for PSH PBV units from the Coordinated Entry System, with the understanding that they will refer households in accordance with the requirements of other applicable funding sources, which may target specific populations i.e. No Place Like Home (NPLH) which requires a Serious Mental Illness (SMI) diagnosis. Implementation of this waiver is anticipated to increase housing choice by stimulating housing production, and by increasing the number of units for certain special needs populations who may not be best served through the traditional waiting list process.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Housing Choice</p>
<p>Cost Implications</p> <p>Neutral</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only special needs populations (SNPs) eligible for a special needs program such as No Place Like Home (NPLH) in which the funding for supportive services at a PBV unit is tied to eligibility for the special needs program.</p>

<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to PBV units developed with federal or state development funds targeting special populations including but not limited to veterans, seniors, people with specific disabilities, farmworkers, and those experiencing homelessness, through programs such as California HCD's Homekey, No Place Like Home (NPLH) and Housing & Disability Advocacy Program (HDAP).</p>
<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>No impact is anticipated.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>No impact is anticipated.</p>
<p>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)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of increased housing choice.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency's ability to meet the MTW statutory goal of increased housing choice.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No disparate impact is anticipated. The proposed waiver may provide more PBV opportunities for vulnerable populations, and specific populations served under the targeted state programs and funding sources.</p>
<p>Implementation timeline.</p> <p>July 1, 2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>

E.1 Agency-Specific Waiver
Waiver Title: MTW Value Voucher
Regulations to Waive: 982.1 (a) (3) Subsidy in the HCV program is based on a local “payment standard” that reflects the cost to lease a unit in the local housing market. If the rent is less than the payment standard, the family generally pays 30 percent of adjusted monthly income for rent. If the rent is more than the payment standard, the family pays a larger share of the rent. 982.505 How to calculate housing assistance payment
Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative. <p>HACSC proposes an "MTW value voucher" which will provide a lower cost subsidy than a conventional voucher. The value voucher may be targeted to specific populations, including but not limited to households currently receiving rental assistance who are at risk of losing that rental assistance as a result of funding constraints or program changes. Participants will seek units in privately assisted housing developments where the rental costs are lower than current HUD published FMRs but still not affordable to very-low and extremely low-income households. The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed the tenant rent share. For these units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. The value voucher would make up the difference between the rent and tenant rent share.</p>
This MTW activity serves the following statutory objectives: <p>Housing Choice Cost Effectiveness</p>
Cost Implications <p>Decreased costs.</p>
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? <p>The MTW activity applies only to a subset or subsets of assisted households</p>
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? <p>New admissions and currently assisted households</p>
Does the MTW activity apply to all family types or only to selected family types? <p>The MTW activity applies only to selected family types</p>
Please select the family types subject to this MTW activity. <p>Other – another specifically defined target population or populations.</p>
If Other Selected in Previous Question: Please describe this target population in the text box. <p>All households eligible for the waiting list preference ‘Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes’ which is an existing preference included in the HACSC Section 8 Administrative Plan.</p>
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. <p>The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed</p>

the family's tenant rent share.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Does this MTW activity require a Hardship Policy: No
Does the MTW activity require an impact analysis? Yes This document is attached
Does the impact analysis apply to more than this MTW activity? No
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. N/A
Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered. Pending public hearing March 2026

Impact Analysis
For Waiver Type: Agency Specific Waiver (ASW)
Waiver Title: MTW Value Voucher
Regulations to Waive: 982.1 (a) (3) Subsidy in the HCV program is based on a local “payment standard” that reflects the cost to lease a unit in the local housing market. If the rent is less than the payment standard, the family generally pays 30 percent of adjusted monthly income for rent. If the rent is more than the payment standard, the family pays a larger share of the rent. 982.505 How to calculate housing assistance payment
Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative. HACSC proposes an "MTW value voucher" which will provide a lower cost subsidy than a conventional voucher. The value voucher may be targeted to specific populations, including but not limited to households currently receiving rental assistance who are at risk of losing that rental assistance as a result of funding constraints or program changes. Participants will seek units in privately assisted housing developments where the rental costs are lower than current HUD published FMRs but still not affordable to very-low and extremely low-income households. The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed the tenant rent share. For these units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. The value voucher would make up the difference between the rent and tenant rent share.
This MTW activity serves the following statutory objectives: Housing Choice Cost Effectiveness
Cost Implications Decreased costs.
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies only to selected family types
Please select the family types subject to this MTW activity. Other – another specifically defined target population or populations.
If Other Selected in Previous Question: Please describe this target population in the text box. All households eligible for the waiting list preference ‘Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes’ which is an existing preference included in the HACSC Section 8 Administrative Plan.
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed 30% of tenants’ income.</p>
<p>Impact on the agency’s finances (e.g., how much will the activity cost, and any change in the agency’s per family contributions).</p> <p>The activity is anticipated to reduce costs relative to a HAP payment for an HCV.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>The activity is intended to hold rents for participants at 30% of their income. Absent this activity, households transferring into the proposed unit types would experience rent burdens above 30% of their income.</p>
<p>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>The activity is anticipated to reduce the amount of time families are on the waitlist by providing greater housing choices and viable pathways for these households who are eligible for this program - and at the top of the waitlist - to find and secure permanent housing. The faster these households can be assisted into eligible units, the faster the remaining households on the WL can be assisted. Absent this activity, the time on the waitlist is anticipated to be lengthy.</p>
<p>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)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This activity fulfills the MTW statutory goals of cost effectiveness and housing choice.</p>
<p>Impact on the agency’s ability to meet the MTW statutory requirements</p> <p>This activity enhances the agency’s ability to meet MTW statutory requirements by providing enhanced housing choice and increasing cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>