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Fiscal Year 2022 Moving To Work (MTW) Supplement to Annual PHA Plan

The Houston Housing Authority (HHA) is requesting public review and comment on HHA's Fiscal Year 2022 Moving to Work (MTW) Supplement to the Annual PHA Plan and related policy materials. The MTW Supplement also includes a proposed Agency-Specific Waiver and Safe Harbor Waiver. The public comment period will extend from February 28, 2022 through April 14, 2022. The following documents comprise the MTW Supplement and are included herein:

1. MTW Supplement (HUD Form 50075-MTW)
2. Hardship Policy: Public Housing
3. Hardship Policy: Housing Choice Voucher Program
4. Agency-Specific Waiver Request: Alternative Verification Hierarchy
5. Safe Harbor Waiver Request: Alternative Reexamination Schedule for Households Activities 3a & 3b
6. Quality Assurance Method: Third-Party Requirement Activity 5c
7. Proposed Tiered Rents: Public Housing
8. Proposed Tiered Rents: Housing Choice Voucher Program
9. Impact Analysis

1. MTW Supplement (HUD Form 50075-MTW)

PHA Name : Houston

PHA Code : TX005

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

PHA Program Type: Combined

MTW Cohort Number: 2

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

Effective as of July 30, 2021, the Houston Housing Authority (HHA) became a participant in the US Department of Housing and Urban Development's (HUD) Moving to Work (MTW) Demonstration Program. HHA was selected as part of MTW "Cohort #2" which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. HHA also plans to implement other MTW activities above and beyond the alternative tiered rent evaluation program. HHA's application for MTW designation -referred to as EMPOWER Housing - including the planned alternative tiered rent policy, was submitted to HUD in January 2021, following an extensive outreach and public comment period and approval by the HHA Board of Commissioners.

HHA's initial designation as an MTW agency has a twenty-year term. As an MTW agency, HHA will prepare an MTW Supplement to the Annual PHA Plan each year that describes how HHA intends to utilize MTW flexibility to further the three MTW statutory objectives and advance the agency's mission. HHA is committed to involving residents and community stakeholders in the ongoing MTW planning and implementation processes. This document is HHA's first MTW Supplement.

The EMPOWER Housing initiative will build on HHA's mission and strategic objectives by providing significant programmatic and financial flexibility. Over the long-term, HHA plans to utilize MTW flexibility to: (1) Deliver housing programs and services in a more efficient, streamlined manner that is accessible and transparent to our clients, and reduces unnecessary administrative burdens on clients and staff; (2) Expand housing options and choices to serve the unique, diverse needs of Houston's low- income residents by preserving the existing housing portfolio, acquiring and/or building new mixed-income housing, promoting mobility to high opportunity neighborhoods and strengthening partnerships to create innovative, supportive housing options that serve special needs populations; and (3) Support residents in achieving economic self-sufficiency through an innovative rent reform initiative, enhanced FSS program incentives, targeted literacy, education and job initiatives, and other partnership initiatives utilizing housing as a platform to stabilize and strengthen families.

As part of its commitment to resident and community engagement, HHA plans on an ongoing basis to conduct planning and review meetings with the RAB/Resident Leadership Council, establish an MTW webpage and create an MTW Advisory Committee including residents and partners. The RAB/ Resident Leadership Council and MTW Advisory Committee will collaborate with HHA to review MTW best practices; identify opportunities to incorporate MTW flexibility into HHA operations; and, work with HHA to identify activities for inclusion in future MTW Supplements.

To advance the EMPOWER Housing vision, HHA plans to incorporate MTW programmatic flexibility agency-wide incrementally in consultation with the MTW Advisory Committee based on an assessment of agency priorities, opportunities and capacity. For at least the first year beginning in 2022, implementation of the alternative tiered rent evaluation program will be HHA's top priority, including educating residents on program benefits, enrolling residents in the evaluation through random assignment and enhancing partnerships to support the initiative. An Agency-Specific Waiver and Safe Harbor Waiver are proposed in order to implement the alternative tiered rent policy. A series of other flexibilities are proposed in this MTW Supplement including income exclusions and triennial recertifications applicable to households excluded from the alternative rent policy evaluation; more flexible Small Area Fair Market Rent payment standards, Project Based Voucher program and HQS inspection policies; and, use of funds for local, non-traditional development activities. Additional MTW components will evolve over time and be proposed annually in accordance with the Operations Notice. The policies described in the MTW Supplement may be modified based on feedback during the public comment period and/or based on further guidance from HUD. An overview of initiatives HHA plans to implement beginning this year, organized by the three MTW statutory objectives, includes:

Cost Effectiveness: While initial implementation of HHA's proposed alternative tiered rent model may initially upfront costs, over time HHA projects that rent reform will be revenue neutral after factoring in cost savings through administrative efficiencies associated with a simpler rent calculation method. Beginning in approximately August 2022, HHA will randomly assign new admissions and existing residents in both the Public Housing and HCV programs into either a "treatment " group which will have rents calculated using the MTW flat tiered rent model and be recertified every three years, or a "control" group which will continue to have their rents calculated and recertifications scheduled using existing program rules. For households who are excluded from rent reform (including elderly/disabled households, special purpose voucher holders and others as more fully described in the MTW Supplement), HHA intends to implement triennial reexamination schedules, income exclusions, asset self-certification and other rent simplification policies that are expected to reduce cost and improve client service and satisfaction.

Housing Choice: HHA plans to utilize MTW flexibility to support three broad objectives related to increasing housing choice for low-income households including initiatives to: (1) Expand the number of households who are able to move into high opportunity areas; (2) Preserve and expand HHA's affordable housing portfolio; and (3) Promote and expand innovations in supportive housing through PBV and local, non-traditional programs. Regarding mobility, HHA plans to establish more flexible payment standards utilizing Small Area Fair Market Rents, pre-qualify units for HQS compliance, modify the frequency of HQS inspections and other initiatives to enhance owner acceptance and willingness to lease to voucher holders. To promote preservation and expansion, HHA intends to engage in several MTW initiatives including establishing

alternative PBV selection processes . Additional PBV and tenant-based program initiatives will be evaluated for possible inclusion in future MTW Supplements

Self-Sufficiency: Implementation of HHA's alternative rent model will be the focal point of HHA's initial MTW self-sufficiency efforts. Other self-sufficiency initiatives will be evaluated during the first year of MTW that build on HHA's existing Section 3, FSS, MyGoals and Jobs Plus framework including potentially: (1) modifying FSS family selection, income increases and Contract of Participation requirements; and (2) utilizing MTW funding flexibility to leverage other funds to support literacy, education and job training.

HHA also plans to use Housing Assistance Payments (HAP) funds flexibly to implement authorized MTW activities in accordance with the Operations Notice and allow for flexible use of funding across Section 8 and 9 programs and for MTW local, non-traditional programs. HHA intends for HAP funding to be utilized for authorized purposes as approved by the HHA Board of Commissioners to implement approved MTW activities including, but not limited to: local non-traditional project-based and tenant-based programs; sponsor-based leasing programs with housing and supportive services; education, job training and placement and other supportive services for HHA clients; and affordable housing development and preservation.

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)	Plan to Implement in the Submission Year
b. Tiered Rent (HCV)	Plan to Implement in the Submission Year
r. Elimination of Deduction(s) (PH)	Plan to Implement in the Submission Year
s. Elimination of Deduction(s) (HCV)	Plan to Implement in the Submission Year
v. Alternative Income Inclusions/Exclusions (PH)	Plan to Implement in the Submission Year
w. Alternative Income Inclusions/Exclusions (HCV)	Plan to Implement in the Submission Year
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Plan to Implement in the Submission Year
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Plan to Implement in the Submission Year
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Plan to Implement in the Submission Year
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
4. Landlord Leasing Incentives	
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Plan to Implement in the Submission Year
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
d. Alternative Inspection Schedule (HCV)	Plan to Implement in the Submission Year
6. Short-Term Assistance	
7. Term-Limited Assistance	
8. Increase Elderly Age (PH & HCV)	
9. Project-Based Voucher Program Flexibilities	
b. Increase PBV Project Cap (HCV)	Plan to Implement in the Submission Year
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Plan to Implement in the Submission Year
10. Family Self-Sufficiency Program with MTW Flexibility	
11. MTW Self-Sufficiency Program	
12. Work Requirement	
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
14. Moving on Policy	
15. Acquisition without Prior HUD Approval (PH)	
16. Deconcentration of Poverty in Public Housing Policy (PH)	
17. Local, Non-Traditional Activities	
c. Housing Development Programs	Plan to Implement in the Submission Year

C. MTW Activities Plan that Houston Plans to Implement in the Submission Year or Is Currently Implementing

1.a. - Tiered Rent (PH)	
<p>HHA is part of MTW "Cohort #2" which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. Under this activity, HHA will implement an income-based flat tiered rent model applicable to public housing households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group.</p> <p>The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. At recertification, gross income will be determined retrospectively. For new admissions, gross income will be based on current income. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent for public housing will be capped by the applicable flat rent or Low Income Housing Tax Credit rent. Utility allowances will continue to apply, and households will receive</p>	

utility reimbursement if applicable. Recertifications will occur every 3 years. Income increases between regular recertifications will not result in rent increases unless a new household member with income is added. If household income decreases between regular recertifications by 15% or greater, resulting in household income dropping to a lower tier, the household may request a hardship and have their rent be recalculated based on the lower tier, subject to the household meeting the requirements specified in the more detailed Hardship Policy included herein.

Beginning in approximately August 2022 (for recertifications effective as of November 2022), current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, asset self-certification and hardship policies. The control group will continue to have their rent calculated in accordance with standard public housing regulations with no MTW waivers applied. After the initial enrollment period, new admissions will have rents calculated in the same manner as the treatment group.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Current flat rent households
- Mixed eligibility families
- Households living in Jobs Plus developments
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)

The tiered rent activity is part of the overall alternative rent policy initiative that also incorporates triennial reexaminations, elimination of deductions, certain income exclusions and asset self-certification. Overall, HHA has defined the following goals: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity serves the following statutory objectives:

Neutral (no cost implications)

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

This MTW activity applies to:

New admissions and currently assisted households

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

The MTW activity applies only to selected family types

Not applicable. This is a new activity.

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Houston MTW agency

Received 0 hardship requests

Approved hardship requests

Denied hardship requests

There is\are hardship requests pending.

Income bands are based on \$2,000 increments, with rent calculated at 28% of the low-point of the band. Deductions are eliminated except where hardship applies. Exceptions are the two lowest tiers, for which a minimum rent of \$50 applies. In addition, the tiers are capped at either the applicable flat rent or Low Income Housing Tax Credit (LIHTC) rent.

Please see attached tiered rent policy table that shows the income bands.

The rent will be based on tiers of household income. Please see attached for the table on the tiered rent policy table that

shows the income bands.

This activity uses a different definition of income because we are using the following MTW waivers (check all that apply)

This activity uses different definition of income because we are using the following MTW waivers:

1.r. and/or 1.s. "elimination of deductions"

1.v. and/or 1.w "alternative inclusions and exclusions"

1.b. - Tiered Rent (HCV)

HHA is part of MTW "Cohort #2" which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. Under this activity, HHA will implement an income-based flat tiered rent model applicable to Housing Choice Voucher households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group.

The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. At recertification, gross income will be determined retrospectively. For new admissions, gross income will be based on current income. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. Tiered rents for the Housing Choice Voucher program will be capped when total tenant payment equals the gross rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable. Recertifications will occur every 3 years. Income increases between regular recertifications will not result in rent increases, unless a new household member with income is added. If household income decreases between regular recertifications by 15% or greater, resulting in household income dropping to a lower tier, the household may request a hardship and have their rent be recalculated based on the lower tier, subject to the household meeting the requirements specified in the more detailed Hardship Policy included herein.

Beginning in approximately August 2022 (for recertifications effective as of November 2022), current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard Housing Choice Voucher program regulations. After the initial enrollment period, new admissions will have rents calculated in the same manner as the treatment group.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Mixed eligibility families
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)
- HCV Zero HAP households
- Special purpose voucher households including: VASH, Mod Rehab (Certificate), Enhanced Voucher, Shelter Plus Care, Family Unification Program, Foster Youth, Emergency Housing Voucher, Mainstream, Tenant Protection Voucher
- Households in phase-in period under RAD protections
- Port-outs

The tiered rent activity is part of the alternative rent evaluation initiative that also incorporates triennial reexaminations, elimination of deductions, and asset self-certification. Overall, HHA has defined the following goals: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: New admissions and currently assisted households
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other). The MTW activity applies only to selected family types
This MTW activity applies to the following housing choice voucher unit types: For both the tenant-based and Project Based programs, participants will be by randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
Income bands are based on \$2,000 increments, with rent calculated at 28% of the low-point of the band. Deductions are eliminated except where hardship applies. Exceptions are the two lowest tiers, for which a minimum rent of \$50 applies. In addition, the tiers are capped when total tenant payment equals the gross rent.
Please see attached tiered rent policy table that shows the income bands.
The rent will be based on tiers of household income. Please see attached for the table on the tiered rent policy table that shows the income bands.
This activity uses a different definition of income because we are using the following MTW waivers (check all that apply) This activity uses different definition of income because we are using the following MTW waivers: 1.r. and/or 1.s. "elimination of deductions" 1.v. and/or 1.w "alternative inclusions and exclusions"

1.r. - Elimination of Deduction(s) (PH)
Under this activity, HHA will eliminate the dependent and unreimbursed child care deductions in conjunction with implementation of an income-based flat tiered rent model applicable to public housing households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group. See Activity 1A.
The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent for public housing will be capped by the applicable flat rent or Low Income Housing Tax Credit rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable.
HHA has established a Hardship Policy that is included with this activity. Under the Hardship Policy, HHA will grant a hardship for child care expenses to eligible households where the child care expense results in the family paying more than 40% of current/anticipated income for rent. See Hardship Policy for additional details.
Beginning in approximately August 2022 (for recertifications effective as of November 2022), current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard public housing regulations.
Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse greater than 56 years of age
- Households in the homeownership program
- Current FSS participants
- Current flat rent households
- Mixed eligibility families
- Households living in Jobs Plus developments
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)

The elimination of deductions activity is part of the overall alternative rent evaluation initiative that also incorporates tiered rents, triennial reexaminations, and asset self-certification. Overall, HHA has defined the following goals for this and related activities: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

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

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

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

This MTW activity applies to:
New admissions and currently assisted households

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

Not applicable. This is a new activity.

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

Attached Hardship policy applies to: 1.r. - Elimination of Deduction(s) (PH)
3.a. - Alternative Reexamination Schedule for Households (PH)}

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Houston MTW agency
Received 0 hardship requests
Approved hardship requests
Denied hardship requests
There is\are hardship requests pending.

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

The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:
1.r. - Elimination of Deduction(s) (PH)
1.s. - Elimination of Deduction(s) (HCV)
2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
3.a. - Alternative Reexamination Schedule for Households (PH)
3.b. - Alternative Reexamination Schedule for Households (HCV)

Following deduction(s) will be eliminated, modified, or added.
Dependent allowance
Unreimbursed childcare costs

1.s. - Elimination of Deduction(s) (HCV)

Under this activity, HHA will eliminate dependent and unreimbursed childcare deductions in conjunction with implementation of an income-based flat tiered rent model applicable to Housing Choice Voucher program households that are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the "treatment" group. See Activity 1B.

The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. At the higher income end, rent is capped when total tenant payment equals the gross rent. Utility allowances will continue to apply, and households will receive a utility reimbursement if applicable.

HHA has established a Hardship Policy that is included with this activity. Under the Hardship Policy, HHA will grant a hardship for child care expenses to eligible households where the child care expense results in the family paying more than 40% of current/anticipated income for rent. See Hardship Policy for additional details.

Beginning in approximately August 2022 (for recertifications effective as of November 2022), current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The treatment group will have their rent calculated using the tiered rent method and will also be subject to related policies including triennial examinations, elimination of deductions, and hardship policies. The control group will continue to have their rent calculated in accordance with standard Housing Choice Voucher program regulations.

Random assignment under the alternative rent evaluation initiative applies only to non-elderly, non-disabled households. Other households excluded from the evaluation and, therefore, not subject to random assignment to either the treatment or control groups include the following, based on their status at the time of random assignment:

- Head, Co-Head, Spouse who are 56 years of age or older
- Households in the homeownership program
- Current FSS participants
- Mixed eligibility families
- Households receiving Earned Income Disregard (EID)
- Households who are not yet indicated as disabled according to HUD definition, but have been approved to receive SSI/SSDI but have not yet received first payment, or have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status)
- HCV Zero HAP households
- Special purpose voucher households including: VASH, Mod Rehab (Certificate), Enhanced Voucher, Shelter Plus Care, Family Unification Program, Foster Youth, Emergency Housing Voucher, Mainstream, Tenant Protection Voucher
- Households in phase-in period under RAD protections
- Port-outs

The elimination of deductions activity is part of the overall alternative rent evaluation initiative that also incorporates tiered rents, triennial reexaminations and asset self-certification. Overall, HHA has defined the following goals for this and related activities: (1) provide incentives for economic self-sufficiency; (2) simplify program administration and reduce administrative burdens; (3) be transparent and easy to understand; (4) minimize the number of households who will experience a rent increase at enrollment and beyond; (5) be revenue neutral to the greatest extent possible; and, 6) be supportive of HHA's overall vision and plan for MTW.

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

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

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

This MTW activity applies to:
New admissions and currently assisted households

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

This MTW activity applies to the following housing choice voucher unit types: This MTW activity applies to the following housing choice voucher unit types: Randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.

Not applicable. This is a new activity.

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

Attached Hardship policy applies to: 1.s. - Elimination of Deduction(s) (HCV)
2.a. - Payment Standards- Small Area Fair Market Rents (HCV)

3.b. - Alternative Reexamination Schedule for Households (HCV)}
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities: 1.r. - Elimination of Deduction(s) (PH) 1.s. - Elimination of Deduction(s) (HCV) 2.a. - Payment Standards- Small Area Fair Market Rents (HCV) 3.a. - Alternative Reexamination Schedule for Households (PH) 3.b. - Alternative Reexamination Schedule for Households (HCV)
Following deduction(s) will be eliminated, modified, or added. Dependent allowance Unreimbursed childcare costs

1.v. - Alternative Income Inclusions/Exclusions (PH)
Under this activity, HHA will exclude the following income when calculating tenant rent: 1) Earned income from full-time students; 2) Adoption assistance payments; and, 3) Asset income for up to \$50,000 in assets. Subject to HUD approval, this income exclusion will apply to all public housing households except for households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.a. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: New admissions and currently assisted households
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other). The MTW activity applies to all family types
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
Following inclusions or exclusions will be eliminated, modified, or added. Income to be excluded includes: 1) Earned income from full-time students; 2)Adoption assistance payments; and, 3)Asset income for up to \$50,000 in assets.

1.w. - Alternative Income Inclusions/Exclusions (HCV)
Under this activity, HHA will exclude the following income when calculating tenant rent: 1) Earned income from full-time students; 2) Adoption assistance payments; and, 3) Asset income for up to \$50,000 in assets. Subject to HUD approval, this income exclusion will apply to all Housing Choice Voucher (HCV) program households except for households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.b. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

<p>This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency</p>
<p>This MTW activity serves the following statutory objectives: Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households</p>
<p>Not applicable. This is a new activity.</p>
<p>No hardship were requested in the most recent fiscal year.</p>
<p>In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.</p>
<p>Following inclusions or exclusions will be eliminated, modified, or added. The following income will be excluded: 1) Earned income from full-time students; 2)Adoption assistance payments; and, 3)Asset income for up to \$50,000 in assets.</p>

2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
<p>Under this activity, HHA will utilize Small Area Fair Market Rents (SAFMR) to establish payment standards for the Housing Choice Voucher program. In lieu of establishing a unique payment standard for each zip code area, HHA may establish payment standards between 80-150% of the SAFMR for one or more groups of zip code areas. Current payment standards will be applied when contract rent increases occur between regular triennial recertifications if the new gross rent exceeds the prior payment standard. HHA already received HUD approval in 2021 to implement SAFMRs citywide. Thus, the primary effect of this activity will be to allow HHA to establish payment standards between 80-150% of SAFMR, compared to the current 90-110%. In addition, this activity will allow HHA to reduce housing cost burdens by applying the then current payment standard if rent increases to owners approved by HHA between regular recertifications result in an increase in the gross rent above the payment standard that was applicable at the prior recertification. HHA goals are to support housing choice and mobility and reduce housing cost burdens by establishing payment standards that effectively will expand housing options, particularly in higher opportunity areas. For 2022, HHA will continue to implement the SAFMR payment standards published in December 2021 which are based on 90-110% of the applicable SAFMRs. HHA has established a Hardship Policy to minimize the impact on participants when the payment standard decreases.</p>
<p>This MTW activity serves the following statutory objectives: Housing choice</p>
<p>This MTW activity serves the following statutory objectives: Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households</p>
<p>Not applicable. This is a new activity.</p>
<p>This MTW activity requires a Hardship Policy. The Hardship Policy is attached.</p>
<p>Attached Hardship policy applies to: 1.s. - Elimination of Deduction(s) (HCV) 2.a. - Payment Standards- Small Area Fair Market Rents (HCV) 3.b. - Alternative Reexamination Schedule for Households (HCV)}</p>
<p>No hardship were requested in the most recent fiscal year.</p>
<p>In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.</p>
<p>This MTW activity requires an Impact Analysis. The Impact Analysis is attached.</p>
<p>The Impact Analysis that applies to this MTW activity also applies to the following MTW activities: 1.r. - Elimination of Deduction(s) (PH) 1.s. - Elimination of Deduction(s) (HCV) 2.a. - Payment Standards- Small Area Fair Market Rents (HCV) 3.a. - Alternative Reexamination Schedule for Households (PH) 3.b. - Alternative Reexamination Schedule for Households (HCV)</p>

The following describes the payment standards by ZIP code or 'grouped' ZIP codes: Under current regulations, HUD allows for multiple zip codes to be grouped together and utilize the same payment standards, provided that the group payment standards fall within 90-110% of the SAFMRs for each zip code within each group. HHA has established five (5) payment standard groups or tiers. Specific zip codes are assigned to each tier, based on HHA analysis of housing market costs and conditions. The 2022 Payment Standards published by HHA (and posted on the HHA website) for each group/tier fall within 90-110% of the SAFMR for each zip code within each group. In the future, HHA intends to continue to group zip codes and also to incorporate MTW waiver flexibility to establish payment standards within 80-150% of the SAFMR for each zip code within each group.

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

Under this activity, HHA will establish an alternative reexamination schedule wherein regular recertifications are conducted at least once every three years ("triennial" recertifications). This policy will apply to all public housing households except for those households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.a. Control group households will continue to have annual recertifications and be eligible for interim recertifications according to standard HUD public housing regulations with no MTW waivers applied.

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (unless caused by changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. HHA is submitting a Safe Harbor Waiver in conjunction with implementing triennial recertifications for this group.

All other public housing households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HHA interim policies which do not limit the number of recertifications.

HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

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

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

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

Not applicable. This is a new activity.

This MTW activity requires a Safe Harbor Waiver.
The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).

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

Attached Hardship policy applies to: 1.r. - Elimination of Deduction(s) (PH)
3.a. - Alternative Reexamination Schedule for Households (PH)}

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Houston MTW agency
Received 0 hardship requests
Approved hardship requests
Denied hardship requests
There is\are hardship requests pending.

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

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

- 1.r. - Elimination of Deduction(s) (PH)
- 1.s. - Elimination of Deduction(s) (HCV)
- 2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
- 3.a. - Alternative Reexamination Schedule for Households (PH)
- 3.b. - Alternative Reexamination Schedule for Households (HCV)

Recertification Schedule is Once every three years

Household may request interim recertifications per year.

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. The Safe Harbor Waiver request applies to this group of households.

Control group households will continue to have annual recertifications and be eligible for interim recertifications according to standard HUD public housing regulations .

All other public housing households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HHA interim policies which do not limit the number of interim recertifications.

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

Under this activity, HHA will establish an alternative reexamination schedule wherein regular recertifications are conducted at least once every three years ("triennial" recertifications). This policy will apply to all HCV households except for those households randomly selected and assigned to the "control" group pursuant to the MTW Cohort #2 evaluation described in MTW Activity 1.b. Control group households will continue to have annual recertifications and be eligible for interim recertifications according to existing HUD HCV regulations and HHA policy.

Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. HHA is submitting a Safe Harbor Waiver request for this group of households.

All other HCV households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications according to existing HUD regulations and HHA HCV interim policies which do not limit the number of interim recertifications.

HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens.

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

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

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

Not applicable. This is a new activity.

This MTW activity requires a Safe Harbor Waiver.
The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).

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

Attached Hardship policy applies to: 1.s. - Elimination of Deduction(s) (HCV)
2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
3.b. - Alternative Reexamination Schedule for Households (HCV)}

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Houston MTW agency
Received 0 hardship requests
Approved hardship requests
Denied hardship requests
There is\are hardship requests pending.

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

The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:
1.r. - Elimination of Deduction(s) (PH)
1.s. - Elimination of Deduction(s) (HCV)

2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
3.a. - Alternative Reexamination Schedule for Households (PH)
3.b. - Alternative Reexamination Schedule for Households (HCV)
Recertification Schedule is Once every three years
Household may request interim recertifications per year.
Households randomly selected and assigned to the "treatment" group pursuant to the MTW Cohort #2 evaluation will be recertified on a triennial basis with no interim recertifications (except for changes to household composition); however, these households will be eligible to apply for an income decrease or other hardship pursuant to the Hardship Policy described in the MTW Supplement. The Safe Harbor Waiver request applies to this group of households.
Control group households will continue to have annual recertifications and be eligible for interim recertifications according to existing HUD HCV program regulations and HHA policies.
All other HCV households, i.e. those households excluded from the random assignment process pursuant to the MTW Cohort #2 evaluation, will be recertified on a triennial basis and will also be able to apply for interim recertifications for income decreases according to existing HUD regulations and HHA interim policies which do not limit the number of interim recertifications.

3.c. - Self-Certification of Assets (PH)
Under this activity, all public housing households will be able to self-certify assets at admission or recertification provided that the asset value does not exceed \$50,000. This activity aligns with the Cohort #2 alternative rent evaluation and other process simplification initiatives including triennial recertifications. The agency goal for this activity is to simplify administration and reduce administrative burden.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

3.d. - Self-Certification of Assets (HCV)
Under this activity, all Housing Choice Voucher program households will be able to self-certify assets at admission or recertification provided that the asset value does not exceed \$50,000. This activity aligns with the Cohort #2 alternative rent evaluation and other process simplification initiatives including triennial recertifications. The agency goal for this activity is to simplify administration and reduce administrative burden.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests

Denied hardship requests There is\are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

5.a. - Pre-Qualifying Unit Inspections (HCV)
Under this activity, HHA may conduct pre-qualifying unit inspections to determine if the unit meets HUD Housing Quality Standards in both the tenant-based and Project Based Voucher programs, provided that the pre-qualifying unit inspection must be done within 90 days of the participant occupying the unit. The program participant may request an interim inspection by contacting HHA at any time in accordance with current agency policies. HUD HQS standards at 24 CFR 982.401 apply to pre-qualifying inspections. This activity supports HHA goals to streamline program administration and increase housing choice for HCV program participants.
This MTW activity serves the following statutory objectives: Housing choice
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The pre-inspection is valid for 90 days.

5.c. - Third-Party Requirement (HCV)
HHA may conduct HQS inspections on Project Based Voucher units that it owns, manages and/or controls as an alternative to having inspections conducted by a third party. All such inspections will be conducted using HQS standards found at 24 CFR 982.401. To ensure the consistent and uniform application of HQS standards, HHA supervisory staff will conduct quality control inspections on a random sample of units in accordance with the Inspection Quality Assurance Method included as an attachment. Program participants may request an interim inspection by contacting HHA in accordance with the policies described in the Administrative Plan. If requested by HUD, HHA will obtain the services of a third-party entity to determine if HHA-owned units pass HQS. This activity helps support the HHA goal to streamline program administration and promote timely lease-up of PBV units.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The quality assurance method: Following will explain the quality assurance method – See attached quality assurance method. If [Upload file] options- Display 'Attached for quality assurance method'

5.d. - Alternative Inspection Schedule (HCV)

<p>HHA may implement an alternative inspection schedule for HCV units based on agency assessment of the age, property/unit condition, quality of property management and/or other relevant factors for individual units or buildings under a Housing Assistance Payments contract. All units must be inspected and pass HQS at initial occupancy. The alternative inspection will require that all units meet HUD Housing Quality Standards (HQS) and be inspected at least once every three years. All program participants will be able to request an interim inspection in accordance with HHA Administrative Plan policies. HUD shall be able to conduct or direct HHA to conduct inspections at any time for health, safety and/or accessibility purposes. This activity supports the goals of reducing administrative burden and streamlining program administration.</p>
<p>This MTW activity serves the following statutory objectives: Cost effectiveness</p>
<p>This MTW activity serves the following statutory objectives: Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households</p>
<p>This MTW activity applies to: New admissions and currently assisted households</p>
<p>An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other). The MTW activity applies to all family types</p>
<p>This MTW activity applies to the following housing choice voucher unit types: The alternative inspection schedule may be applied to tenant-based and Project Based units based on HHA assessment of the age, property/unit condition and quality of property management for individual units or buildings under a Housing Assistance Payments contract. For example, units in new construction or substantial rehabilitation projects that are in Low Income Housing Tax Credit properties that are professionally managed and in good condition may be subject to an alternative inspection schedule.</p>
<p>Not applicable. This is a new activity.</p>
<p>No hardship were requested in the most recent fiscal year.</p>
<p>In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.</p>

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

<p>Under this activity, HHA may eliminate or raise the existing cap on the number of units within a project and allow up to 100% of units in a project to be placed under a PBV Housing Assistance Payments contract. HHA may eliminate or raise the project cap for those PBV projects that the agency determines to be consistent with the goal of increasing housing choice for Housing Choice Voucher program participants. HHA may eliminate or raise the project cap for projects located in high opportunity areas, City-designated revitalization areas, in conjunction with HHA-sponsored development activities and for other factors as determined by HHA. HHA will continue to be subject to the applicable provisions of PIH Notice 2013-28 or successor notices. This activity supports the goal of increasing housing choice.</p>
<p>This MTW activity serves the following statutory objectives: Housing choice</p>
<p>This MTW activity serves the following statutory objectives: Neutral (no cost implications)</p>
<p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households</p>
<p>Not applicable. This is a new activity.</p>
<p>No hardship were requested in the most recent fiscal year.</p>
<p>In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.</p>

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

Replacement (HCV)
Under this activity, HHA may eliminate the selection process in the award of Project Based Vouchers to properties owned by HHA that are not public housing without engaging in an initiative to improve, develop or replace a public housing property or site. HHA may award PBVs to projects meeting this criteria based on approval by the HHA Board of Commissioners and provided that: 1) A subsidy layering review is performed where required by regulation; 2) HHA completed site selection requirements; 3) HQS inspections shall be performed by an independent entity (unless waived pursuant to an MTW waiver); and, 4) The property is owned by a single-asset entity of HHA in conformance with HUD PIH Notice 2017-21 or successor notice. HHA shall continue to be subject where applicable to HUD PIH Notice 2013-27 or successor notice. The HHA goals for this activity are to increase housing choice and to streamline and make operations more cost effective.
This MTW activity serves the following statutory objectives: Cost effectiveness Housing choice
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.

17.c. - Housing Development Programs
Under this activity, HHA may utilize MTW funding to acquire, renovate and/or build affordable housing units that are not public housing for low-income families and that meet HUD requirements for MTW "local, non-traditional housing" as defined in HUD PIH Notice 2011-45 or successor notices. HHA may utilize this activity to provide gap financing (grants or loans) to affordable housing developments including, but not limited to, Public Facilities Corporation (PFC) transactions, PBV developments, Low Income Housing Tax Credit developments and/or other eligible development activities, subject to approval by the HHA Board of Commissioners. HHA shall not expend more than 10% of its Housing Assistance Payments budget on local, non-traditional activities including this housing development activity. In implementing this activity, HHA shall: 1) ensure that families assisted meet the HUD definition of "low-income"; 2) comply with PIH Notice 2011-45 as applicable; 3) comply with Section 30 of the US Housing Act of 1937; and, 4) Competitively bid any MTW funding awarded through this activity to a third-party provider. HHA has provided summary information on 3 potential projects for funding under this activity; however, other projects may also be considered subject to approval of the HHA Board of Commissioners. This activity supports the goals to increase housing choices for low-income households and to leverage additional funds for affordable housing development.
This MTW activity serves the following statutory objectives: Cost effectiveness Housing choice
This MTW activity serves the following statutory objectives: Neutral (no cost implications) Increased revenue
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
Not applicable. This is a new activity.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Houston MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.

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

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 60% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Fountain View TBD	New Construction - Development approach including financing and unit counts are preliminary and subject to change	Finance land acquisition costs	250	250	0	0	0	0
Sweetwater Apartments	Rehabilitation/preservation of existing 260 unit LIHTC development that includes 26 public housing units	Funds for renovation	260	260	0	0	0	0
Mansions at Turkey Creek	Rehabilitation/preservation of existing 252 unit LIHTC development	Funds for renovation	252	252	0	0	0	0

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 - 60% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 60% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 60% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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D.	Safe Harbor Waivers.
D.1	Safe Harbor Waivers seeking HUD Approval: Please see attached for Safe Harbor Waivers requested this year.

E.	Agency-Specific Waiver(s).
E.1	Agency-Specific Waiver(s) for HUD Approval: The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, Agency-Specific Waivers may be requested. Please see attached for Agency-Specific Waiver(s) requested this year.
E.2	Agency-Specific Waiver(s) for which HUD Approval has been Received: MTW Agency does not have approved Agency-Specific Waivers

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
2021	\$16,089,982	\$16,089,982	\$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	0
Total Local, Non-Traditional Households	0

*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.
MTW agency established a rent reform policy to encourage employment and self-sufficiency	

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.	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?

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	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.	

I.	Evaluations.
Yes - This table lists evaluations of Houston's MTW activities, including the names of evaluators and available reports	

Table I.1 - Evaluations of MTW Policies

Title and short description	Evaluator name and contact information	Time period	Reports available
As part of MTW Cohort #2, MDRC is providing technical assistance and conducting an evaluation of the alternative rent structures to be implemented by HHA and other Cohort #2 agencies	MDRC Contact: Keith Olejniczak, Research Associate Email: keith.olejniczak@mdrc.org Phone: 510-844-2306	Evaluation will be conducted over a six-year period beginning in 2022.	N/A

2. Hardship Policy: Public Housing

HOUSTON HOUSING AUTHORITY

MTW HARDSHIP POLICY: PUBLIC HOUSING PROGRAM

Hardship Policy Overview

HHA has developed conditions-based hardship policies for the Moving to Work (MTW) program as described below to address and mitigate financial hardships which may occur at initial enrollment or at any time during the tenancy or program participation for public housing residents.

HHA will review its hardship policies with families during its intake and recertification process and will consider if a family qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity.

When a family requests a hardship exemption from a required MTW activity, where applicable, HHA will suspend the activity for the household, beginning the first of the month after the request, until HHA has determined if the request is warranted.

- HHA shall make the determination of whether a financial or other hardship exists within a reasonable time after the family's request.
- If HHA determines that a financial or other hardship exists, HHA will continue to provide an exemption from the MTW activity at a reasonable level and duration, according to the agency's written policy.
- If HHA determines that the request did not meet its hardship standards, HHA will resume the MTW activity and collect any retroactive rent, if applicable, through a reasonable repayment agreement.

HHA shall retain records of all hardship requests received and the results of these requests and supply them at HUD's request. HHA will retain this information for the duration of the Agency's participation in the MTW demonstration program and make such information available for public review and inspection at HHA's principal office during normal business hours.

If a financial hardship request is denied, HHA will provide the family with an opportunity to request an informal review/hearing/grievance hearing for a second level review of the denied hardship request.

Generally, approved hardship rents will remain in place for a twelve-month period at which time the household must reapply for hardship. If the household does not reapply or is not approved for a continued hardship, the rent will revert to the higher TTP before hardship.

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

Hardship Policy Applicability Table

No	Hardship Policy	Treatment *	Control **	Excluded ***	Waivers
1	Hardship at Enrollment	X			1a
2	Childcare Expense Hardship Rent	X			1r
3	Reduction in Income Hardship Rent	X			3a
4	Full-Time Student Hardship	X			1v
5	Minimum Rent Hardship	X	X	X	1a
6	Interim Reexamination Rent Reduction		X	X	3a
7	Alternative Verification Hierarchy	X	X	X	Agency Specific
8	Other Hardship	X		X	N/A
9	Hardship Process	X	X	X	

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

**** Control Group:** Non-elderly, non-disabled households who were not excluded and who were randomly selected to have their rent calculated in accordance with standard public housing program regulations with no MTW waivers applied

***** Excluded Group:** All elderly, disabled, FSS, homeownership households, and households who become or will become elderly or disabled during the 6-year demonstration.

1. Hardship At Enrollment

Minimum Rent Hardship at Enrollment: At the time of enrollment into the MTW Tiered Rent treatment group, all existing families on a previously approved minimum rent hardship, will automatically be grandfathered into the MTW program under the existing hardship without having to apply again and have it reviewed by HHA. The minimum rent hardship will remain in effect consistent with HHA's policies on minimum rent hardship.

Increase in TTP at Enrollment: At the time of enrollment, households whose retrospective income results in more than a 15% increase in their Total Tenant Payment (TTP) will receive a hardship TTP. The hardship TTP will be the TTP in the closest income tier which caps the increase in TTP at 15%. The hardship will remain in place for twelve months, at which time the family must reapply for hardship. If the family does not reapply for hardship or is not approved for an additional hardship, the rent will revert to the higher TTP before hardship.

The Increase in TTP at Enrollment Hardship applies to families in the Treatment group.

Example #1:

- Pre-Enrollment:
 - Gross Income: \$25,000
 - Adjusted Income: \$18,000

- TTP = \$450
- Tiered Rent TTP at Enrollment:
 - Retrospective Gross Income: \$25,000
 - Tiered Rent TTP: \$560
 - Increase in TTP is 24%. Family qualifies for a hardship at enrollment
 - Enrollment Hardship TTP is the TTP in the income tier which caps the increase in TTP at 15%:
 - The closest income tier which caps the increase in TTP at 15% is the \$22,000 - \$23,999 income tier and corresponding TTP of \$513
 - Hardship TTP: \$513

2. Childcare Expense Hardship Rent

HHA will grant a childcare expense hardship rent to households with verified, significant unreimbursed childcare expenses. Where a household's total unreimbursed childcare expenses result in the household paying more than 40% of their current/anticipated adjusted income toward rent, HHA will allow the full deduction of reasonable unreimbursed childcare expenses and apply the tiered TTP that corresponds to their current/anticipated adjusted annual income.

The hardship will remain in place for a twelve-month period after the which the TTP will revert to the pre-hardship tiered TTP unless and until the family requests and is approved for an additional hardship. For continued childcare hardship eligibility, during the twelve-month hardship period, the household must apply for childcare assistance provided by local private/public partners. In the event childcare assistance is denied for reasons beyond failure to apply or lack of participation and the family remains eligible to deduct childcare expenses, HHA will extend the hardship for an additional twelve-month period. Written evidence of the family application and related written response is required for HHA to make a determination on extending the childcare hardship. Upon approval and verification of the unreimbursed childcare expenses, HHA will deduct childcare expenses. The TTP will be set using the income band that applies to the family's current/anticipated adjusted annual income and will remain in place for a twelve month period.

The Childcare Expense Hardship applies to families in the Treatment group.

Example #2:

- Retrospective Gross Income: \$30,000
- Tiered Rent TTP: \$700
- Childcare expenses: \$9,500
- Current/anticipated income: \$30,000
- Current/anticipated adjusted income: $\$30,000 - \$9,500 = \$20,500/\text{year}$ or $\$1,708/\text{month}$
- Percent of current/anticipated adjusted monthly income paid toward rent: $\$700/\$1,708 = 41\%$
- Household qualifies for the childcare hardship
- TTP for the current/anticipated adjusted income is: \$467
- Hardship TTP: \$467

Example #3:

- Retrospective Gross Income: \$35,000
- Tiered Rent TTP: \$793
- Childcare expenses: \$8,500
- Current/anticipated income: \$37,000
- Current/anticipated adjusted income: $\$37,000 - \$8,500 = \$28,500/\text{year}$ or $\$2,375/\text{month}$
- Percent of current/anticipated adjusted monthly income paid toward rent: $\$793/\$2,375 = 33\%$
- Household does NOT qualify for the childcare hardship

3. Reduction in Income Hardship Rent

To qualify for a hardship rent, a family's current/anticipated income must decrease by 15% or more and the TTP must drop by at least one income tier from the pre-hardship retrospective income and tiered rent TTP. The TTP reduction would remain in place for a 12-month period after which the TTP will revert to the pre-hardship TTP unless and until the family reapplies for hardship and HHA grants a new hardship rent. This policy is consistent with the expectation that all family members of working age, who are not elderly or disabled, will find and retain employment.

Where a household experiences an additional reduction in income in the same twelve-month period, HHA will process an additional interim hardship TTP if the household's current/anticipated income has dropped at least 25% from the pre-hardship income resulting in a TTP which is four or more income tiers lower than their pre-hardship TTP. This additional hardship will remain in effect for the remainder of the 12-month hardship period. The twelve-month clock will not be reset at the second hardship. At the end of the 12-month hardship period, the TTP will revert to the pre-hardship tiered TTP unless and until the family applies for and receives approval for an additional hardship rent.

For approved hardship rents due to a decreases in income, the family will have its TTP based on current/anticipated income rather than on retrospective income.

The Interim Hardship TTP applies to families in the Treatment group.

Example #4:

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Hardship Request:
 - Current/anticipated gross Income: \$21,600
 - Decrease in income from \$27,000 to \$21,600 represents a 20% decrease in income and an income tier which is three income tiers below the pre-hardship TTP
 - Family qualifies for hardship
 - Hardship TTP: \$467

Example #5: Family requests another hardship in the same 12-month period

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Second Hardship Request:
 - Current/anticipated gross Income: \$19,000
 - Decrease in income from \$27,000 to \$19,000 represents a 30% decrease in income from the pre-hardship TTP and an income tier which is four income tiers below the pre-hardship TTP
 - Family qualifies for a second hardship
 - Hardship TTP: \$420

4. Full-Time Student Hardship Rent

HHA will grant a full-time student status hardship rent to a family, if a family member, other than the head of household, co-head, or spouse, has earned income and, after initial enrollment, becomes a full-time student. Upon verification of full-time student status, HHA will allow the exclusion of full-time student earned income and apply the tiered rent which is consistent with the households current/anticipated adjusted income.

The hardship will remain in place for a twelve-month period after which the family must reapply for the hardship and provide verification of full-time student status.

If the family does not reapply and provide verification of full-time student status, the tiered rent TTP will revert to the pre-hardship tiered rent TTP.

The Full-Time Student Hardship applies to families in the Treatment group.

Example #6

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Hardship Request:
 - Current/anticipated gross Income: \$27,000
 - FT Student Earned Income: \$8,000
 - Current/anticipated adjusted income: \$19,000
 - Hardship TTP: \$420

5. Minimum Rent Hardship

HHA may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of a financial hardship. The minimum rent hardship policy applies to the families in the Treatment, Excluded and Control groups.

Defined Financial Hardships

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program.
 - A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
 - For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:
 - Implementation of assistance, if approved, or
 - The decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
2. The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.
3. Family income has decreased because of changed family circumstances, including the loss of employment.
4. A death has occurred in the family. To qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Determination of Financial Hardship from Minimum Rent

When a family requests a financial hardship exemption, HHA will suspend the minimum rent requirement beginning the first of the month following the family's request. HHA will then determine whether the financial hardship exists and whether the hardship is temporary or long-term.

HHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family will be required to pay an HHA determined amount between 0% and 30% of gross income which HHA will determine based on each family's individual circumstances.

Temporary Hardship

If HHA determines that a qualifying financial hardship is temporary, HHA will suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay HHA the amounts suspended. HHA will offer a reasonable repayment agreement, on terms and conditions established by HHA. HHA also may determine that circumstances have changed, and the hardship is now a long-term hardship.

HHA will enter into a repayment agreement in accordance with the policies in this plan.

Long-Term Hardship

If HHA determines that the financial hardship is long-term, HHA will exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

The hardship is deemed to be discontinued when the family's TTP is greater than the minimum rent.

Families on approved hardships from minimum rent are required to report all increases in income and/or decreases in unreimbursed expenses, where applicable, within ten business days from the date of occurrence.

6. Interim Reexamination Rent Reduction

Between regular reexaminations, a family may report a decrease in earned or unearned income or an increase in applicable, allowable deductions. Upon receipt of the request for an interim rent reduction request and upon verification of the change, HHA will conduct an interim adjustment and decrease rent. There is no limit to the number of interim rent reduction requests which a family may make.

The Interim Rent Reduction policy applies to families in the Excluded and Control groups.

7. Alternative Verification Hierarchy Hardship

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

The Alternative Verification Hierarchy Hardship policy applies to families in the Treatment, Control and Excluded groups.

8. Other Hardship

If the head of household, spouse or co-head becomes disabled, or if a family member becomes disabled requiring full time home care by the head of household, the family may request a transition to the traditional income-based rent, and with proper verification that request will be granted.

For any additional hardship requests related to income or childcare expenses and for other situations not specifically covered by the hardships above, HHA may grant a hardship remedy appropriate to the circumstances consistent with the examples above, provided that remedy is consistent with the expectation that all family members of working age, who are not elderly or disabled, will find and retain employment.

9. Hardship Process

The hardship process outlined below applies to hardships except for the minimum rent hardship

- When a hardship request is received and it states a valid reason for a hardship, HHA will provide temporary relief beginning the first day of next month after the request is received, effective for that month only.
- Families will be required to provide verification documentation supporting the hardship request within 10 days.
- HHA will review the hardship request and notify the family within a reasonable period after receiving the verification documents.
- If a family does not provide verification or HHA determines that the request does not meet the hardship requirements, the temporary relief will end on the last day of the initial month, and the family may be required to enter into a repayment agreement.
- If HHA determines that a verified hardship exists, HHA will provide relief as outlined in the hardship guidelines above.
- At the end of the hardship period and any approved extensions, the family's rent will return to its pre-hardship TTP.
- Hardship decisions are subject to review under the informal review and hearings procedures in HHA's Administrative Plan.

3. Hardship Policy: Housing Choice Voucher Program

HOUSTON HOUSING AUTHORITY

MTW HARDSHIP POLICY: HOUSING CHOICE VOUCHER PROGRAM

Hardship Policy Overview

HHA has developed conditions-based hardship policies for the Moving to Work (MTW) program as described below to address and mitigate financial hardships which may occur at initial enrollment or at any time during the tenancy or program participation for Housing Choice Voucher (HCV) program participants.

HHA will review its hardship policies with families during its intake and recertification process and will consider if a family qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity.

When a family requests a hardship exemption from a required MTW activity, where applicable, HHA will suspend the activity for the household, beginning the first of the month after the request, until HHA has determined if the request is warranted.

- HHA shall make the determination of whether a financial or other hardship exists within a reasonable time after the family's request.
- If HHA determines that a financial or other hardship exists, HHA will continue to provide an exemption from the MTW activity at a reasonable level and duration, according to the agency's written policy.
- If HHA determines that the request did not meet its hardship standards, HHA will resume the MTW activity and collect any retroactive rent, if applicable, through a reasonable repayment agreement.

HHA shall retain records of all hardship requests received and the results of these requests and supply them at HUD's request. HHA will retain this information for the duration of the Agency's participation in the MTW demonstration program and make such information available for public review and inspection at HHA's principal office during normal business hours.

If a financial hardship request is denied, HHA will provide the family with an opportunity to request an informal review/hearing/grievance hearing for a second level review of the denied hardship request.

Generally, approved hardship rents will remain in place for a twelve-month period at which time the household must reapply for hardship. If the household does not reapply or is not approved for a continued hardship, the rent will revert to the higher TTP before hardship.

The table below identifies the hardship policy and the related MTW Operations Notice waiver which requires establishment of a hardship policy. HHA may apply for waivers for VASH and Emergency Housing Vouchers to apply the MTW policies which are applicable to the Excluded group.

Hardship Policy Applicability Table

No	Hardship Policy	Treatment *	Control **	Excluded ***	Waivers
1	Hardship at Enrollment	X			1b
2	Childcare Expense Hardship Rent	X			1s
3	Reduction in Income Hardship Rent	X			3b
4	Full-Time Student Hardship	X			1w
5	SAFMR Hardship	X	X	X	2a
6	Minimum Rent Hardship	X	X	X	1b
7	Contract Rent Increase Hardship Rent	X		X	3b
8	Interim Reexamination Rent Reduction		X	X	3b
9	Alternative Verification Hierarchy	X	X	X	Agency Specific
10	Other Hardship	X		X	N/A
11	Hardship Process	X	X	X	

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

*** **Control Group:** Non-elderly, non-disabled households who were not excluded and who were randomly selected to have their rent calculated in accordance with standard Housing Choice Voucher program regulations with no MTW waivers applied*

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

1. Hardship At Enrollment

Minimum Rent Hardship at Enrollment: At the time of enrollment into the MTW Tiered Rent treatment group, all existing families on a previously approved minimum rent hardship, will automatically be grandfathered into the MTW program under the existing hardship without having to apply again and have it reviewed by HHA. The minimum rent hardship will remain in effect consistent with HHA's policies on minimum rent hardship.

Increase in TTP at Enrollment: At the time of enrollment, households whose retrospective income results in more than a 15% increase in their Total Tenant Payment (TTP) will receive a hardship TTP. The hardship TTP will be the TTP in the closest income tier which caps the increase in TTP at 15%. The hardship will remain in place for twelve months, at which time the family must reapply for hardship. If the family does not reapply for hardship or is not approved for an additional hardship, the rent will revert to the higher TTP before hardship.

The Increase in TTP at Enrollment Hardship applies to families in the Treatment group.

Example #1:

- Pre-Enrollment:
 - Gross Income: \$25,000
 - Adjusted Income: \$18,000
 - TTP = \$450
- Tiered Rent TTP at Enrollment:
 - Retrospective Gross Income: \$25,000
 - Tiered Rent TTP: \$560
 - Increase in TTP is 24%. Family qualifies for a hardship at enrollment
 - Enrollment Hardship TTP is the TTP in the income tier which caps the increase in TTP at 15%:
 - The closest income tier which caps the increase in TTP at 15% is the \$22,000 - \$23,999 income tier and corresponding TTP of \$513
 - Hardship TTP: \$513

2. Childcare Expense Hardship Rent

HHA will grant a childcare expense hardship rent to households with verified, significant unreimbursed childcare expenses. Where a household's total unreimbursed childcare expenses result in the household paying more than 40% of their current/anticipated adjusted income toward rent, HHA will allow the full deduction of reasonable unreimbursed childcare expenses and apply the tiered TTP that corresponds to their current/anticipated adjusted annual income.

The hardship will remain in place for a twelve-month period after the which the TTP will revert to the pre-hardship tiered TTP unless and until the family requests and is approved for an additional hardship. For continued childcare hardship eligibility, during the twelve-month hardship period, the household must apply for childcare assistance provided by local private/public partners. In the event childcare assistance is denied for reasons beyond failure to apply or lack of participation and the family remains eligible to deduct childcare expenses, HHA will extend the hardship for an additional twelve-month period. Written evidence of the family application and related written response is required for HHA to make a determination on extending the childcare hardship. Upon approval and verification of the unreimbursed childcare expenses, HHA will deduct childcare expenses. The TTP will be set using the income band that applies to the family's current/anticipated adjusted annual income and will remain in place for a twelve month period.

The Childcare Expense Hardship applies to families in the Treatment group.

Example #2:

- Retrospective Gross Income: \$30,000
- Tiered Rent TTP: \$700
- Childcare expenses: \$9,500

- Current/anticipated income: \$30,000
- Current/anticipated adjusted income: $\$30,000 - \$9,500 = \$20,500/\text{year}$ or $\$1,708/\text{month}$
- Percent of current/anticipated adjusted monthly income paid toward rent: $\$700/\$1,708 = 41\%$
- Household qualifies for the childcare hardship
- TTP for the current/anticipated adjusted income is: \$467
- Hardship TTP: \$467

Example #3:

- Retrospective Gross Income: \$35,000
- Tiered Rent TTP: \$793
- Childcare expenses: \$8,500
- Current/anticipated income: \$37,000
- Current/anticipated adjusted income: $\$37,000 - \$8,500 = \$28,500/\text{year}$ or $\$2,375/\text{month}$
- Percent of current/anticipated adjusted monthly income paid toward rent: $\$793/\$2,375 = 33\%$
- Household does NOT qualify for the childcare hardship

3. Reduction in Income Hardship Rent

To qualify for a hardship rent, a family's current/anticipated income must decrease by 15% or more and the TTP must drop by at least one income tier from the pre-hardship retrospective income and tiered rent TTP. The TTP reduction would remain in place for a 12-month period after which the TTP will revert to the pre-hardship TTP unless and until the family reapplies for hardship and HHA grants a new hardship rent. This policy is consistent with the expectation that all family members of working age, who are not elderly or disabled, will find and retain employment.

Where a household experiences an additional reduction in income in the same twelve-month period, HHA will process an additional interim hardship TTP if the household's current/anticipated income has dropped at least 25% from the pre-hardship income resulting in a TTP which is four or more income tiers lower than their pre-hardship TTP. This additional hardship will remain in effect for the remainder of the 12-month hardship period. The twelve-month clock will not be reset at the second hardship. At the end of the 12-month hardship period, the TTP will revert to the pre-hardship tiered TTP unless and until the family applies for and receives approval for an additional hardship rent.

For approved hardship rents due to a decreases in income, the family will have its TTP based on current/anticipated income rather than on retrospective income.

The Interim Hardship TTP applies to families in the Treatment group.

Example #4:

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Hardship Request:
 - Current/anticipated gross Income: \$21,600

- Decrease in income from \$27,000 to \$21,600 represents a 20% decrease in income and an income tier which is three income tiers below the pre-hardship TTP
- Family qualifies for hardship
- Hardship TTP: \$467

Example #5: Family requests another hardship in the same 12-month period

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Second Hardship Request:
 - Current/anticipated gross Income: \$19,000
 - Decrease in income from \$27,000 to \$19,000 represents a 30% decrease in income from the pre-hardship TTP and an income tier which is four income tiers below the pre-hardship TTP
 - Family qualifies for a second hardship
 - Hardship TTP: \$420

4. Full-Time Student Hardship Rent

HHA will grant a full-time student status hardship rent to a family, if a family member, other than the head of household, co-head, or spouse, has earned income and, after initial enrollment, becomes a full-time student. Upon verification of full-time student status, HHA will allow the exclusion of full-time student earned income and apply the tiered rent which is consistent with the households current/anticipated adjusted income.

The hardship will remain in place for a twelve-month period after which the family must reapply for the hardship and provide verification of full-time student status.

If the family does not reapply and provide verification of full-time student status, the tiered rent TTP will revert to the pre-hardship tiered rent TTP.

The Full-Time Student Hardship applies to families in the Treatment group.

Example #6

- Pre-Hardship:
 - Retrospective gross Income: \$27,000
 - Tiered Rent TTP = \$607
- At Hardship Request:
 - Current/anticipated gross Income: \$27,000
 - FT Student Earned Income: \$8,000
 - Current/anticipated adjusted income: \$19,000
 - Hardship TTP: \$420

5. Small Area Fair Market Rent Hardship

If the payment standard amount has decreased, during the term of a HAP contract, HHA will not reduce the payment standard as long as the HAP contract remains in effect. If the family moves to a new unit, HHA will apply the payment standard in effect at the time of the move.

The Small Area Fair Market Rent Hardship policy applies to the families in the Treatment, Excluded and Control groups.

6. Minimum Rent Hardship

HHA may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of a financial hardship. The minimum rent hardship policy applies to the families in the Treatment, Excluded and Control groups.

Defined Financial Hardships

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program.
 - A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
 - For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:
 - Implementation of assistance, if approved, or
 - The decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
2. The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.
3. Family income has decreased because of changed family circumstances, including the loss of employment.
4. A death has occurred in the family. To qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Determination of Financial Hardship from Minimum Rent

When a family requests a financial hardship exemption, HHA will suspend the minimum rent requirement beginning the first of the month following the family's request. HHA will then determine whether the financial hardship exists and whether the hardship is temporary or long-term.

HHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family will be required to pay an HHA determined amount between 0% and 30% of gross income which HHA will determine based on each family's individual circumstances.

Temporary Hardship

If HHA determines that a qualifying financial hardship is temporary, HHA will suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay HHA the amounts suspended. HHA will offer a reasonable repayment agreement, on terms and conditions established by HHA. HHA also may determine that circumstances have changed, and the hardship is now a long-term hardship.

HHA will enter into a repayment agreement in accordance with the policies in this plan.

Long-Term Hardship

If HHA determines that the financial hardship is long-term, HHA will exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

The hardship is deemed to be discontinued when the family's TTP is greater than the minimum rent.

Families on approved hardships from minimum rent are required to report all increases in income and/or decreases in unreimbursed expenses, where applicable, within ten business days from the date of occurrence.

7. Contract Rent Increase Hardship Rent

HHA will provide a hardship rent to families where an approved contract rent increase, which occurs between triennial recertifications, results in a gross rent which exceeds the payment standard. When this occurs HHA will update the payment standard at the interim recertification to reflect the payment standard in effect on the interim reexamination effective date. The family will still be responsible for any amount where the gross rent exceeds the payment standard; however, an updated payment standard would be applied. HHA will not update the payment standard if the payment standard in effect at the interim contract rent increase certification is lower than the payment standard applied at the family's last certification.

The Alternative Reexamination Schedule – Payment Standard Hardship policy applies to the Treatment and Excluded groups.

8. Interim Reexamination Rent Reduction

Between regular reexaminations, a family may report a decrease in earned or unearned income or an increase in applicable, allowable deductions. Upon receipt of the request for an interim rent reduction request and upon verification of the change, HHA will conduct an interim adjustment and decrease rent. There is no limit to the number of interim rent reduction requests which a family may make.

The Interim Rent Reduction policy applies to families in the Excluded and Control groups.

9. Alternative Verification Hierarchy Hardship

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

The Alternative Verification Hierarchy Hardship policy applies to families in the Treatment, Control and Excluded groups.

10. Other Hardship

If the head of household, spouse or co-head becomes disabled, or if a family member becomes disabled requiring full time home care by the head of household, the family may request a transition to the traditional income-based rent, and with proper verification that request will be granted.

For any additional hardship requests related to income or childcare expenses and for other situations not specifically covered by the hardships above, HHA may grant a hardship remedy appropriate to the circumstances consistent with the examples above, provided that remedy is consistent with the expectation that all family members of working age, who are not elderly or disabled, will find and retain employment.

11. Hardship Process

The hardship process outlined below applies to hardships except for the minimum rent hardship

- When a hardship request is received and it states a valid reason for a hardship, HHA will provide temporary relief beginning the first day of next month after the request is received, effective for that month only.
- Families will be required to provide verification documentation supporting the hardship request within 10 days.
- HHA will review the hardship request and notify the family within a reasonable period after receiving the verification documents.
- If a family does not provide verification or HHA determines that the request does not meet the hardship requirements, the temporary relief will end on the last day of the initial month, and the family may be required to enter into a repayment agreement.

- If HHA determines that a verified hardship exists, HHA will provide relief as outlined in the hardship guidelines above.
- At the end of the hardship period and any approved extensions, the family's rent will return to its pre-hardship TTP.
- Hardship decisions are subject to review under the informal review and hearings procedures in HHA's Administrative Plan.

4. Agency-Specific Waiver Request: Alternative Verification Hierarchy

HOUSTON HOUSING AUTHORITY

AGENCY-SPECIFIC WAIVER REQUEST: ALTERNATIVE VERIFICATION METHODS

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

A. Description Of Activity

This activity will waive provisions of HUD PIH Notice 2018-18 and successor notices to allow HHA to utilize an alternative, streamlined method to verify household member income for all Public Housing and HCV program applicants and participants (including both Tenant-Based and Project-Based programs). HHA intends to implement these alternative verification methods to streamline program administration and reduce administrative burdens to benefit both clients and the agency. While HHA intends to apply the alternative verification methods across the board to its Public Housing and HCV programs, this waiver will also support implementation of the Cohort #2 alternative rent policy evaluation initiative described in the MTW Supplement by facilitating the determination of income. Outlined below are the proposed verification changes. Each change will be applied to both applicants and participants in the Treatment, Control and Excluded groups.

- Extend the time that verification documents are valid. Under existing HCV and Public Housing program requirements, verification documents are acceptable only if they are dated within 60 days from the date of request. The following changes are proposed.
 - Applicants- HCV and Public Housing: Verifications may not be dated more than 180 days from the date of voucher issuance or the public housing lease effective date.
 - Participants - HCV and Public Housing: Verifications for reexaminations may not be dated more than 180 days from the effective date of the transaction.
 - Fixed Sources of Income: Verification documents for fixed income sources will be valid for the full calendar year in which the income is effective. For example, if a SS benefit letter is dated February 1, 2022, that benefit letter will be valid for any certification with an effective date in 2022.
- Revise the HUD Verification Hierarchy: Under the existing HUD Income Verification Hierarchy, HHA is required to request and document attempts to obtain written third party verification forms and oral verification prior to relying on a tenant declaration. HHA's modified Income Verification Hierarchy will allow HHA to rely on any of the third-party verification methods before accepting self-certification. This process will streamline the verification process and allow HHA to repurpose staff time on tasks outside of verification.

Level	Verification Technique	Ranking
4	Upfront Income Verification using HUD's EIV and IVT	Highest (Mandatory)
3	Upfront Income Verification using non-HUD system	Highest (Optional)
2	Written Third Party Verification;	High (Mandatory)

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

B. Relationship to MTW Statutory Objectives

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

B. Population Groups and Household Types Impacted by Activity

The alternative verification hierarchy will apply to all public housing and HCV program applicants and participants (including tenant-based and project-based). As the new verification methods will simplify and streamline the income verification process, it is not projected to create any hardships for applicants or participants. Public housing and HCV program applicants and participants may request a grievance/informal/review/hearing to dispute the calculations used to determine income and rent. HHA will follow its applicable policies on grievances/reviews/hearings.

C. Cost Implications

This is a cost/revenue neutral activity.

D. Implementation Timetable

HHA projects that the alternative verification methods will begin to be used starting with admissions and recertifications processed on or after August 2022 in parallel with initial implementation of the Cohort #2 alternative rent policy evaluation initiative.

E. Impact Analysis

See attached.

F. Hardship Policy

Public housing and HCV program applicants and participants may request a grievance/informal review/hearing to dispute the calculations used to determine income and rent. HHA will follow its applicable policies on grievances/hearings.

G. Public Comments

To be provided after public comment period.

HOUSTON HOUSING AUTHORITY

IMPACT ANALYSIS: ALTERNATIVE VERIFICATION HIERARCHY

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

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

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

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

The activity is revenue neutral. HHA projects that there will no change to a family’s contribution based on the use of an alternative verification hierarchy. With respect to agency costs, HHA projects a small time savings associated with staff using a streamlined verification hierarchy.

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

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

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

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

4. Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)

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

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

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

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

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

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

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

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

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

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

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

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

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

HOUSTON HOUSING AUTHORITY
SAFE HARBOR WAIVER REQUEST: MTW ACTIVITIES 3a & 3b

A. Safe Harbor Name and Number & Associated Activity

Alternative Reexamination Schedule for Households, 3a & 3b

B. Safe Harbor & Implementing Regulation

The Operations Notice establishes the following safe harbors for Activities 3a and 3c:

- Reexaminations must occur at least every three years.
- 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.
- Agency must implement an impact analysis.
- Agency must include a hardship policy.
- Implementing Regulations:
 - Public Housing: Certain provisions of sections 3(a)(1) and 3(a)(2)(E) of the 1937 Act and 24 CFR 960.257(a)–(b).
 - HCV: Certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR 982.516 (a)(1) and 982.516(c)(2).

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

Houston Housing Authority (HHA) is proposing a flat tiered rent model which is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each \$2,000 income tier. Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of \$50 will be established. Triennial reexaminations will be conducted. Interim reexaminations are replaced with hardship rents, which requires a Safe Harbor Waiver.

D. Description Of The Local Issue And Why Such An Expansion Is Needed To Implement The MTW Activity

Under the MTW Operations Notice, MTW agencies are required to complete an interim reexam if gross income falls by at least 10% pursuant to Activities 3a and 3b. As the Selection Notice does not provide for interim reexams, but instead calls for hardship rent, the Houston Housing Authority (HHA) is submitting this Safe Harbor Waiver request to conform to the requirements in HHA's alternative rent policy under Cohort 2.

E. Impact analysis

An impact analysis is provided as a separate attachment.

F. Description Of The Hardship Policy For The MTW Activity, If Applicable

HHA has established hardship policies for households in the rent reform evaluation “treatment” group to address the instances outlined below. Each hardship includes qualifying factors to determine eligibility for the hardship rent.

- Hardships at enrollment
- Applicable reductions in household income
- Childcare Expenses
- Changes to full-time student status where earned income is claimed
- Increases in contract rent, between triennial recertifications, which result in the gross rent exceeding the payment standard

Minimum Rent Hardship at Enrollment

At the time of enrollment into the MTW Tiered Rent treatment group, all existing families on a previously approved minimum rent hardship, will automatically be grandfathered into the MTW program under the existing hardship without having to apply again and have it reviewed by HHA. The minimum rent hardship will remain in effect consistent with HHA’s policies on minimum rent hardship.

Increase in TTP at Enrollment

At the time of enrollment, households whose retrospective income results in more than a 15% increase in their Total Tenant Payment (TTP) will receive a hardship TTP. The hardship TTP will be the TTP in the closest income tier which caps the increase in TTP at 15%. The hardship will remain in place for twelve months, at which time the family must reapply for hardship. If the family does not reapply for hardship or is not approved for an additional hardship, the rent will revert to the higher TTP before hardship.

Hardship Rent due to Decrease in Income

To qualify for a hardship rent, a family’s current/anticipated income must decrease by 15% or more and the TTP must drop by at least one income tier from the pre-hardship retrospective income and tiered rent TTP. The TTP reduction would remain in place for a 12-month period after which the TTP will revert to the pre-hardship TTP unless and until the family reapplies for hardship and HHA grants a new hardship rent. This policy is consistent with the expectation that all family members of working age, who are not elderly or disabled, will find and retain employment.

Where a household experiences an additional reduction in income in the same twelve-month period, HHA will process an additional interim hardship TTP if the household’s current/anticipated income has dropped at least 25% from the pre-hardship income resulting in a TTP which is four or more income tiers lower than their pre-hardship TTP. This additional hardship will remain in effect for the remainder of the 12-month hardship period. The twelve-month clock will not be reset at the second hardship. At the end of the 12-month hardship period, the TTP will revert to the pre-hardship tiered TTP unless and until the family applies for and receives approval for an additional hardship rent.

For approved hardship rents due to a decreases in income, the family will have its TTP based on current/anticipated income rather than on retrospective income

Hardship Rent due to Childcare Expenses

HHA will grant a childcare expense hardship rent to households with verified, significant unreimbursed childcare expenses. Where a household's total unreimbursed childcare expenses result in the household paying more than 40% of their current/anticipated adjusted income toward rent, HHA will allow the full deduction of reasonable unreimbursed childcare expenses and apply the tiered TTP that corresponds to their current/anticipated adjusted annual income.

The hardship will remain in place for a twelve-month period after the which the TTP will revert to the pre-hardship tiered TTP unless and until the family requests and is approved for an additional hardship. For continued childcare hardship eligibility, during the twelve-month hardship period, the household must apply for childcare assistance provided by local private/public partners. In the event childcare assistance is denied for reasons beyond failure to apply or lack of participation and the family remains eligible to deduct childcare expenses, HHA will extend the hardship for an additional twelve-month period. Written evidence of the family application and related written response is required for HHA to make a determination on extending the childcare hardship. Upon approval and verification of the unreimbursed childcare expenses, HHA will deduct childcare expenses. The TTP will be set using the income band that applies to the family's current/anticipated adjusted annual income and will remain in place for a twelve month period.

Hardship Rent due to Full-Time Student Status

HHA will grant a full-time student status hardship rent to a family, if a family member, other than the head of household, co-head or spouse, has earned income and, after initial enrollment, becomes a full-time student. Upon verification of full-time student status, HHA will allow the exclusion of full-time student earned income and apply the tiered rent which is consistent with the households current/anticipated adjusted income.

The hardship will remain in place for a twelve-month period after which the family must reapply for the hardship and provide verification of full-time student status.

If the family does not reapply and provide verification of full-time student status, the tiered rent TTP will revert to the pre-hardship tiered rent TTP.

Hardship Rent due to Contract Rent Increases

HHA will provide a hardship rent to families where an approved contract rent increase, which occurs between triennial recertifications, results in a gross rent which exceeds the payment standard. When this occurs HHA will update the payment standard at the interim recertification to reflect the payment standard in effect on the interim reexamination effective date. The family will still be responsible for any amount where the gross rent exceeds the payment standard; however, an updated payment standard would be applied. HHA will not update the payment standard if the payment standard in effect at the interim contract rent increase certification is lower than the payment standard applied at the family's last certification.

G. A Copy Of All Comments Received At The Public Hearing Along With The MTW Agency's Description Of How The Comments Were Considered

To be provided after the public comment period.

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

HOUSTON HOUSING AUTHORITY

HQS INSPECTION QUALITY ASSURANCE METHODS – ACTIVITY 5.C.

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

A. Program Integrity and Ethics

General Principles:

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

Quality Control and Analysis of Data

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

B. Management Assessment Objectives

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

In order to demonstrate compliance with HUD and other pertinent regulations, the Authority will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in

a manner that will allow an auditor, housing professional or other interested party to monitor the Authority's operational procedures and practices objectively and accurately.

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

HQS QUALITY CONTROL INSPECTIONS AUDIT PROTOCOL - HHA OWNED UNITS

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

Quarter 1:

Period of review: _____

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months:

Number of files to sample: _____

Quarter 2:

Period of review: _____

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months

Number of files to sample: _____

Quarter 3:

Period of review: _____

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months:

Number of files to sample: _____

Quarter 4:

Period of review: _____

Universe: For HHA owned units, the number units under HAP contract where the last HQS Inspection was completed within the past three months

Number of files to sample: _____

HOUSTON HOUSING AUTHORITY
HQS QUALITY CONTROL INSPECTIONS - HHA OWNED UNITS

Period of Review: _____

[illegible]

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

7. Proposed Tiered Rents: Public Housing

Houston Housing Authority
Public Housing Program – Tiered Rent Schedule

The tiered rent schedule for public housing is shown below. As applicable, public housing tiered rents are capped at the flat rent and/or Low Income Housing Tax Credit rent for the unit.

Tier #	Income Tier Based on Gross Household Income	Rent (Total Tenant Payment)
1.	\$0 to \$1,999	\$50
2.	\$2,000 to \$3,999	\$50
3.	\$4,000 to \$5,999	\$93
4.	\$6,000 to \$7,999	\$140
5.	\$8,000 to \$9,999	\$187
6.	\$10,000 to \$11,999	\$233
7.	\$12,000 to \$13,999	\$280
8.	\$14,000 to \$15,999	\$327
9.	\$16,000 to \$17,999	\$373
10.	\$18,000 to \$19,999	\$420
11.	\$20,000 to \$21,999	\$467
12.	\$22,000 to \$23,999	\$513
13.	\$24,000 to \$25,999	\$560
14.	\$26,000 to \$27,999	\$607
15.	\$28,000 to \$29,999	\$653
16.	\$30,000 to \$31,999	\$700
17.	\$32,000 to \$33,999	\$747
18.	\$34,000 to \$35,999	\$793
19.	\$36,000 to \$37,999	\$840
20.	\$38,000 to \$39,999	\$887
21.	\$40,000 to \$41,999	\$933
22.	\$42,000 to \$43,999	\$980
23.	\$44,000 to \$45,999	\$1,027
24.	\$46,000 to \$47,999	\$1,073
25.	\$48,000 to \$49,999	\$1,120
26.	\$50,000 to \$51,999	\$1,167
27.	\$52,000 to \$53,999	\$1,213
28.	\$54,000 to \$55,999	\$1,260
29.	\$56,000 to \$57,999	\$1,307
30.	\$58,000 to \$59,999	\$1,353
31.	\$60,000 to \$61,999	\$1,400
32.	\$62,000 to \$63,999	\$1,447
33.	\$64,000 to \$65,999	\$1,493

Tier #	Income Tier Based on Gross Household Income	Rent (Total Tenant Payment)
34.	\$66,000 to \$67,999	\$1,540
35.	\$68,000 to \$69,999	\$1,587
36.	\$70,000 to \$71,999	\$1,633
37.	\$72,000 to \$73,999	\$1,680
38.	\$74,000 to \$75,999	\$1,727
39.	\$76,000 to \$77,999	\$1,773
40.	\$78,000 to \$79,999	\$1,820
41.	\$80,000 to \$81,999	\$1,867
42.	\$82,000 to \$83,999	\$1,913
43.	\$84,000 to \$85,999	\$1,960
44.	\$86,000 to \$87,999	\$2,007
45.	\$88,000 to \$89,999	\$2,053
46.	\$90,000 to \$91,999	\$2,100
47.	\$92,000 to \$93,999	\$2,147
48.	\$94,000 to \$95,999	\$2,193
49.	\$96,000 to \$97,999	\$2,240
50.	\$98,000 to \$99,999	\$2,287
51.	\$100,000 to \$101,999	\$2,333
52.	\$102,000 to \$103,999	\$2,380
53.	\$104,000 to \$105,999	\$2,427
54.	\$106,000 to \$107,999	\$2,473
55.	\$108,000 to \$109,999	\$2,520
56.	\$110,000 to \$111,999	\$2,567
57.	\$112,000 to \$113,999	\$2,613
58.	\$114,000 to \$115,999	\$2,660

8. Proposed Tiered Rents: Housing Choice Voucher Program

Houston Housing Authority
Housing Choice Voucher Program – Tiered Rent Schedule

The tiered rent schedule for the Housing Choice Voucher program is shown below. As applicable, Housing Choice Voucher program tiered rents are capped at the point when the Housing Assistance Payment equals zero.

Tier #	Income Tier Based on Gross Household Income	Rent (Total Tenant Payment)
1.	\$0 to \$1,999	\$50
2.	\$2,000 to \$3,999	\$50
3.	\$4,000 to \$5,999	\$93
4.	\$6,000 to \$7,999	\$140
5.	\$8,000 to \$9,999	\$187
6.	\$10,000 to \$11,999	\$233
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22.	\$42,000 to \$43,999	\$980
23.	\$44,000 to \$45,999	\$1,027
24.	\$46,000 to \$47,999	\$1,073
25.	\$48,000 to \$49,999	\$1,120
26.	\$50,000 to \$51,999	\$1,167
27.	\$52,000 to \$53,999	\$1,213
28.	\$54,000 to \$55,999	\$1,260
29.	\$56,000 to \$57,999	\$1,307
30.	\$58,000 to \$59,999	\$1,353
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32.	\$62,000 to \$63,999	\$1,447
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Tier #	Income Tier Based on Gross Household Income	Rent (Total Tenant Payment)
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44.	\$86,000 to \$87,999	\$2,007
45.	\$88,000 to \$89,999	\$2,053
46.	\$90,000 to \$91,999	\$2,100
47.	\$92,000 to \$93,999	\$2,147
48.	\$94,000 to \$95,999	\$2,193
49.	\$96,000 to \$97,999	\$2,240
50.	\$98,000 to \$99,999	\$2,287
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52.	\$102,000 to \$103,999	\$2,380
53.	\$104,000 to \$105,999	\$2,427
54.	\$106,000 to \$107,999	\$2,473
55.	\$108,000 to \$109,999	\$2,520
56.	\$110,000 to \$111,999	\$2,567
57.	\$112,000 to \$113,999	\$2,613
58.	\$114,000 to \$115,999	\$2,660

9. Impact Analysis

Houston Housing Authority MTW Waiver Impact Analysis

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

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

HHA has prepared this impact analysis in conjunction with its first MTW Supplement for the fiscal year beginning on January 1, 2022. This analysis describes the projected impacts of the following proposed MTW waiver activities which include activities needed to implement the MTW alternative rent evaluation program described in the MTW supplement:

Activity No.	Description
1r	Elimination of deductions – Public Housing
1s	Elimination of deductions – HCV
2a	Payment Standards – Small Area Fair Market Rents
3a	Alternative Reexamination Schedule for Households – Public Housing
3b	Alternative Reexamination Schedule for Households – HCV
Safe Harbor	Alternative Reexamination Schedules (Public Housing and HCV)

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

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

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

The chart below summarizes HHA’s preliminary projections of the impacts of each waiver activity on agency finances. Note that the results of the rent reform random assignment process (and the incomes of residents/participants at initial enrollment) are unknown at this time which limits HHA’s ability to forecast financial impacts. Similarly, the leasing and locational preferences of HCV participants may change based on changes to SAFMR payment standards and cannot be accurately forecast at this time.

Activity No.	Description	Projected Impacts
1r	Elimination of deductions – Public Housing	<ul style="list-style-type: none"> Applying the tiered rent and related policies including elimination of deductions and alternative reexamination scheduled to 50% of the eligible non-excluded public housing population is estimated to decrease the public housing rent roll by approximately \$35,000 annually, or approximately 1%. This is a preliminary estimate given that treatment group residents will be randomly assigned during the enrollment period. A relatively small reduction in the public housing rent roll revenue is projected to be substantially offset by staff time savings accrued as a result of more streamlined rent determination processes.
1s	Elimination of deductions – HCV	<ul style="list-style-type: none"> Applying the tiered rent and related policies including elimination of deductions and alternative reexamination scheduled to 50% of the eligible non-excluded HCV population is estimated to increase HAP expenses by approximately \$363,000 annually, or less than 0.5% of the HAP budget. This is a preliminary estimate given that treatment group residents will be randomly assigned during the enrollment period. A relatively small increase in HAP expenditures is projected to be substantially offset by staff time savings accrued as a result of more streamlined rent determination processes
2a	Payment Standards – Small Area Fair Market Rents	<ul style="list-style-type: none"> HHH does not anticipate that this activity will significantly impact agency finances. HHA assumes that increased HAP payments associated with housing leased in high opportunity/high cost zip code areas will likely be offset and balanced off by decreased HAP payments for housing leased in lower cost zip code areas.
3a	Alternative Reexamination Schedule for Households – Public Housing	<ul style="list-style-type: none"> HHH intends to apply triennial reexam schedules to both public housing treatment group households and those households excluded from the rent reform study. Overall, HHA estimates that this will be revenue neutral and that the potential changes to public housing rent roll revenue will be balanced off by modest staff time savings.
3b	Alternative Reexamination Schedule for Households – HCV	<ul style="list-style-type: none"> HHH intends to apply triennial reexam schedules to both HCV treatment group households and those HCV households excluded from the rent reform study. Overall, HHA estimates that this will be revenue neutral and that the potential changes to HAP expenditures will be balanced off by modest staff time savings.
Safe Harbor	Alternative Reexamination Schedules (Public Housing and HCV)	<ul style="list-style-type: none"> In conjunction with activities 3a and 3b, HHA has submitted a Safe Harbor Waiver as need to eliminate interim reexams for the rent reform treatment group. In lieu of interim reexams, HHA has developed a Hardship

Activity No.	Description	Projected Impacts
		Policy to mitigate any negative impacts on these households. HHA does not project any financial impact as a result of this activity.

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

Compared to standard HUD public housing and HCV program rent calculation methods, calculation of rents using HHA's MTW flat tiered rent methodology are projected to result in either no change or small decreases for the majority of families. While deductions are eliminated, tiered rents for the study treatment group are based on 28% of retrospective gross household income established at the lowest end of \$2,000 income bands (compared to 30% of actual adjusted income under standard program rules). Effectively, this means that families with incomes that are above the lowest end of each band pay even less than 28% of income. Further, treatment group and excluded households will have additional income exclusions (full-time student income, asset income for assets under \$50,000 and adoption assistance payments) and will be recertified every three years, allowing for household income to increase without a corresponding increase in tenant rent. Based on preliminary projections, HHA estimates that applying the tiered rent and related policies will result in an average decrease in tenant monthly rent of \$5 for public housing residents and \$9 for HCV participants.

Activity 2a is expected to improve the affordability of housing for some HCV families who currently choose to pay more than 30% of adjusted household income towards rent, as allowed under HCV program rules. This waiver will allow HHA to increase payment standards up to 150% of the applicable SAFMR, which will likely reduce housing cost burdens and have a positive impact for families who lease units in higher cost areas.

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

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

4. Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)

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

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

HHA does not project that the proposed MTW activities will have an impact on current public housing occupancy rates or HCV utilization rates.

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

HHA projects that the tiered flat rent system will have a positive impact on resident self-sufficiency (i.e. increases to household earned income) by allowing treatment group participants a three-year window between regular recertifications during which the household can increase income without a corresponding increase in rent. As HHA is also proposing to implement triennial recertifications for elderly/disabled and other households who are excluded from the rent reform evaluation, a similar positive impact is projected for these households. Over the longer term, HHA projects that the tiered rent and triennial reexamination activities will result in a more streamlined process for determining initial eligibility and conducting regular recertifications. Thus, the activities are expected to support the MTW goal of improving cost effectiveness.

With respect to activity 2a, HHA believes that providing more flexible payment standards will allow HHA to increase payment standards in some higher cost/higher opportunity areas, thus allowing HCV participants to expand their housing choices while reducing housing cost burdens.

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

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

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

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

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

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