

PHA Name : Houston

PHA Code : TX005

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

PHA Program Type: Combined

MTW Cohort Number: Stepped and Tiered Rent

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

The Houston Housing Authority (HHA) hereby submits this Fiscal Year (FY) 2023 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HHA as an MTW agency in July 2021 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. As described herein, HHA will also implement an array of other allowable MTW activities above and beyond the alternative rent policies evaluation program.

As an MTW agency, HHA is required to prepare and publish an MTW Supplement each year that describes how HHA intends to utilize MTW flexibility to further the three MTW statutory objectives and advance the agency’s mission. This document is HHA’s second MTW Supplement. HHA’s first MTW Supplement for FY 2022 was conditionally approved by HUD in July 2022. All MTW activities included in the FY 2022 MTW Supplement were approved by HUD with the exception of two Safe Harbor Waivers and one Agency-Specific Waiver which continue to be reviewed by HUD as of the publication date of the FY 2023 MTW Supplement.

Over the coming year and into the future, HHA’s new leadership team plans to utilize MTW flexibility to benefit our residents and program participants and to support the agency’s mission and strategic objectives. Overall, 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 that reduces unnecessary administrative burdens on both 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 affordable 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 alternative rent policies 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 our 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.

Over time, HHA plans to incorporate MTW programmatic flexibility agency based on an assessment of agency priorities, opportunities and capacity. For FY 2023, implementation of the alternative rent policies evaluation initiative will continue to 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. The proposed Agency-Specific Waiver and Safe Harbor Waivers referenced above will support the alternative tiered rent policy. A series of other flexibilities will be implemented including 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; use of funds for local, non-traditional development activities; and, other activities described herein. Additional MTW components will evolve over time and be proposed annually in accordance with the MTW Operations Notice. The policies described in the MTW Supplement may be modified based on further guidance from HUD. An overview of initiatives HHA plans to implement in FY 2023, organized by the three MTW statutory objectives, includes:

Cost Effectiveness: While implementation of HHA’s proposed alternative tiered rent model may initially require 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 early 2023, 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 primarily using existing program rules except where MTW modifications may be allowed by HUD. 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 will continue 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 .

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 over the coming year 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.

With the exception of MTW Activity 2.d., all of the MTW activities and waivers described herein were approved by HUD as part of the FY 2022 MTW Supplement process. However, as noted above, as of the submission date of this FY 2023 MTW Supplement, the two Safe Harbor waivers and one Agency-Specific waiver that were submitted by HHA in FY 2022 continue to be reviewed by HUD. For informational purposes, these Safe Harbor and Agency-Specific waivers are also included in the FY 2023 submission; however, they are the same documents as those previously submitted in FY 2022. Note also that, due to the submission and approval timetables for the FY 2022 MTW Supplement along with other factors, HHA projects that only one of the MTW waivers previously approved by HUD (Waiver 2.a. – Payment Standards for Small Area FMRs) will be implemented by the end of FY 2022. Therefore, based on HUD guidance, other MTW waivers approved by HUD in FY 2022 continue to be categorized in the FY 2023 MTW Supplement as "Plan to Implement in the Submission Year".

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)	Currently Implementing
d. Rent Reasonableness – Third-Party Requirement (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)
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.
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 a utility reimbursement if applicable. Recertifications will occur every 3 years. Income increases between regular recertifications will not result in rent increases. If household income decreases between regular recertifications, 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 early 2023, 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; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.c, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.v. After a one-year enrollment period, all 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.

HUD approved this MTW waiver 1a as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

This MTW activity serves the following statutory objectives:

Cost effectiveness
Self-sufficiency

This MTW activity has the following cost implications:

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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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. If household income decreases between regular recertifications, 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 early 2023, 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; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.d, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.w. After a one-year enrollment period, all 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.

HUD approved this MTW waiver 1b as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

This MTW activity serves the following statutory objectives:

Cost effectiveness
Self-sufficiency

This MTW activity has the following cost implications:

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 randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.

This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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. - 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 with child care expenses of \$2,000 or more. See Hardship Policy for additional details.

Beginning in early 2023, 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; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.c, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.v. .

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.

HUD approved this MTW waiver 1r as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

This MTW activity serves the following statutory objectives:

Cost effectiveness
Self-sufficiency

This MTW activity has the following cost implications:

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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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

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.

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 with child care expenses of \$2,000 or more. See Hardship Policy for additional details.

Beginning in early 2023, 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; however, subject to HUD approval, the control group will have MTW waivers applied related to asset self-certification as described in activity 3.d, Alternative Verification Hierarchy as described in the Agency-Specific Waiver and income exclusions described in activity 1.w.

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.

HUD approved this MTW waiver 1s as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement.

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

This MTW activity has the following cost implications:
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 tenant-based and project-based programs, the activity applies to randomly selected households occupied by non-elderly, non-disabled families, excluding those with special purpose vouchers and the other exclusions noted above.
This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
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.
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. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative burdens. HUD approved this MTW waiver 1v as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity has the following cost implications: 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
This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.
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. HHA goals for this activity include providing incentives for economic self-sufficiency, simplifying program administration and reducing administrative

burdens.
HUD approved this MTW waiver 1w as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity has the following cost implications: 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
This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.
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. 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.

2.a. - Payment Standards- Small Area Fair Market Rents (HCV)
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 standard 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. HHA has established a Hardship Policy to minimize the impact on participants when the payment standard decreases.
HUD approved this waiver 2a as part of the FY 2022 MTW Supplement.
This MTW activity serves the following statutory objectives: Housing choice
This MTW activity has the following cost implications: Increased expenditures
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
HHA intends to update its payment standards in the fourth quarter of 2022 utilizing the flexibility allowed under this MTW waiver.
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
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 following describes the payment standards by ZIP code or "grouped" ZIP codes: HHA currently has established five groups of zip codes. Within each group, the payment standard for each individual zip code area must fall within the

80-150% basic range allowed under this MTW waiver.

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

Under this activity, HHA is authorized to perform rent reasonableness determinations on Project Based Voucher (PBV) units that it owns, manages and/or controls. This activity waives certain provisions of the Housing Act of 1937 along with HUD regulations at 24 CFR 982.352(b) and 24 CFR 983.303. Essentially, HHA will conduct rent reasonableness determinations on PBV units that it owns, manages and/or controls in accordance with other applicable HUD regulations and consistent with the way the agency conducts rent reasonableness for all other units leased under the Housing Choice Voucher (HCV) program including both tenant-based and project-based programs, i.e. HHA will determine that rents charged for these PBV units are reasonable when compared to similar unassisted units in the market area. As required under the MTW Operations Notice, HHA has established a quality assurance method to ensure impartiality. This activity supports HHA's efforts to ensure cost effective administration and to expand housing choices and opportunities for voucher program participants.

This activity is the only newly proposed activity in the FY 2023 MTW Supplement. As noted, the other activities described in the MTW Supplement have been approved by HUD through the FY 2022 MTW Supplement process, except for certain Safe Harbor Waivers and Agency Specific Waiver requests that are still under review by HUD.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Housing choice

This MTW activity has the following cost implications:

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

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

Not applicable. This is a newly proposed 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 will explain quality assurance method:

See attached Quality Assurance Method. and attached for quality assurance method

Following will explain rent reasonableness determination method:

HHA has attached excerpts from the current HCV Administrative Plan related to rent reasonableness determination. See also attached Quality Assurance Method. and attached for rent reasonableness determination method

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 and existing HHA policies.

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. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

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

HUD approved this MTW waiver 3a as part of the FY 2022 MTW Supplement; however, HUD continues to review and has not yet approved the Safe Harbor waiver that was submitted in FY 2022 and is referenced herein. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement. The Safe Harbor waiver request submitted with this FY 2023 MTW Supplement is identical to the one that was submitted in FY 2022 that is under HUD review.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity has the following cost implications:

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 activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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.

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.

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 and existing HHA policies .

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. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

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 policies.

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 policies which do not limit the number of interim recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

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

HUD approved this MTW waiver 3b as part of the FY 2022 MTW Supplement; however, HUD continues to review and has not yet approved the previously submitted Safe Harbor waiver referenced herein. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The required Hardship Policy and Impact Analysis were previously submitted and approved as part of the FY 2022 MTW Supplement. The Safe Harbor waiver request submitted with this FY 2023 MTW Supplement is identical to the one that was submitted in FY 2022 that is under HUD review.

This MTW activity serves the following statutory objectives:

Cost effectiveness
Self-sufficiency

This MTW activity has the following cost implications:

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: The activity applies to all tenant-based and project-based vouchers except, as noted, for households randomly selected for the "control" group.

This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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.

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.

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. 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 policies which do not limit the number of interim recertifications. For this group of households, HHA will phase in triennial recertifications over a three year period, i.e. approximately one-third of excluded households will be converted to triennial recertifications each year over a three-year period.

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.

HUD approved this MTW waiver 3c as part of the FY 2022 MTW Supplement; however, HUD continues to review and has not yet approved the previously submitted Safe Harbor waiver referenced herein. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The Safe Harbor waiver request submitted with this FY 2023 MTW Supplement is identical to the one that was submitted in FY 2022 that is under HUD review.

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

This MTW activity has the following cost implications:
 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

This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, 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.

HUD approved this MTW waiver 3d as part of the FY 2022 MTW Supplement; however, HUD continues to review and has not yet approved the previously submitted Safe Harbor waiver referenced herein. HHA has not yet implemented either the MTW waiver or the Safe Harbor waiver. The Safe Harbor waiver request submitted with this FY 2023 MTW Supplement is identical to the one that was submitted in FY 2022 that is under HUD review.

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

This MTW activity has the following cost implications:
 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

This activity has not yet been implemented while HHA continues to work with HUD and MDRC to finalize plans for the alternative rent evaluation program.

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

No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, 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.
HUD approved this MTW waiver 5a as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.
This MTW activity serves the following statutory objectives: Housing choice
This MTW activity has the following cost implications: 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
This MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.
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)
Under this activity, HHA may conduct HQS inspections of 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 developed by HHA. 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.
HUD approved this MTW waiver 5c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.
This MTW activity serves the following statutory objectives: Cost effectiveness
This MTW activity has the following cost implications: 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
This MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.
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 attachment, which was previously submitted and approved by HUD as part of the FY 2022 MTW Supplement.
If [Upload file] options- Display 'Attached for quality assurance method"

5.d. - Alternative Inspection Schedule (HCV)

Under this activity, 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.

HUD approved this MTW waiver 5d as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

This MTW activity serves the following statutory objectives:
Cost effectiveness

This MTW activity has the following cost implications:
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

HHA has not yet implemented this activity; however, implementation is projected to begin in FY 2023.

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.

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

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.

HUD approved this MTW waiver 9b as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

This MTW activity serves the following statutory objectives:
Housing choice

This MTW activity has the following cost implications:
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
The MTW activity applies to all properties with project-based vouchers
This MTW waiver activity was approved by HUD in FY 2022; however, implementation will begin in FY 2023.
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.

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.
HUD approved this MTW waiver 9c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.
This MTW activity serves the following statutory objectives: Cost effectiveness Housing choice
This MTW activity has the following cost implications: 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
The MTW activity applies to all properties with project-based vouchers
This MTW waiver activity was approved by HUD as part of the FY 2022 MTW Supplement; however, implementation will begin in FY 2023.
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.

HUD approved this MTW waiver 17c as part of the FY 2022 MTW Supplement; however, it has not yet been implemented by HHA.

This MTW activity serves the following statutory objectives:
Housing choice

This MTW activity has the following cost implications:
Neutral (no cost implications)

HUD approved this activity as part of the FY 2022 MTW Supplement; however, implementation is projected to begin in FY 2023.

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 - 50% 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	TBD	250.00	250.00	0.00	0.00	0.00	0.00
Sweetwater Apartments	Rehabilitation/preservation of existing 260 unit LIHTC development that includes 26 public housing units	TBD	260.00	260.00	0.00	0.00	0.00	0.00
Mansions at Turkey Creek	Rehabilitation/preservation of existing 252 unit LIHTC development	TBD	252.00	252.00	0.00	0.00	0.00	0.00

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

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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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	2029-09-30
2022	\$16,843,680	\$16,843,680	\$0	2030-09-30

G.	MTW Statutory Requirements.	
G.1	75% Very Low Income – Local, Non-Traditional. 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.	
	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?
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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.
	No additional public hearing was held for an Agency-Specific Waiver and/or Safe Harbor waiver

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 at study enrollment.	N/A