

PHA NAME: Washington County

PHA Code: OR022

MTW Supplement for PHA Fiscal Year Beginning: 07/01/2022

PHA Program Type: Combined

MTW Cohort Number: 2

MTW Supplement Submission Type: Annual Submission

Waivers planned to implement in the Submission Year:

1. Tiered Rent Program
 - a. 1.a., 1.b. + Safe Harbor – Tiered Rents
 - b. 1.r., 1.s. – Elimination of Deductions
 - c. 3.a., 3.b. + Safe Harbor – Reexamination Schedule
2. Rent Simplification
 - a. Agency Specific: Income Verification
 - b. Agency Specific: Calculation of Asset Income
 - c. Agency Specific: Calculation of Medical Expense Deduction
 - d. Agency Specific: Discontinue Earned Income Disallowance (EID)
 - e. Agency Specific: Proration of Assistance for Mixed-Eligibility Households
3. Triennial Reviews for Seniors & People with Disabilities
 - a. 3.a., 3.b. – Reexamination Schedule
4. HQS Inspection Processes
 - a. 5.c. – HQS Third-Party Requirement
 - b. 14.a. – Moving On Program: Waive Initial HQS Requirement
5. Local Project-Based Voucher Program
 - a. 2.d. – Rent Reasonableness – Third-Party Requirement
 - b. 5.a. – Pre-Qualifying Unit Inspections
 - c. 5.d. – Alternative Inspection Schedule
 - d. 9.a. – Increase PBV Program Cap
 - e. 9.b. – Increase PBV Project Cap
 - f. 9.c. – Eliminate PBV Selection Process for PHA-owned projects
 - g. 9.h. + Safe Harbor – Limit Portability for PBV Units
6. Voucher Set-Aside Program
 - a. Agency Specific: Voucher Set-Aside Program
7. Strategic Waitlists
 - a. Agency Specific: Strategic Waitlists

LONG-TERM MTW GOALS

The Housing Authority of Washington County (HAWC) is framing our MTW strategies to align with the goals state in our Agency Plan: 1) Increase the availability of decent safe, and affordable housing; 2) improve community quality of life and economic vitality; 3) promote self-sufficiency and asset development of families and individuals; and 4) ensure equal opportunity in housing for all Americans. The flexibility offered by the MTW program enables HAWC to implement and test strategies that move the agency closer to these goals.

Throughout our participation as an MTW agency, HAWC will explore strategies for cost reduction and effectiveness. We will shift focus from paperwork and verifications to improving household outcomes. With the innovation and flexibility offered by MTW participation, we will encourage our staff and community partners to think outside the box and find ways to improve and streamline processes.

HAWC will also build on our efforts to partner and create leverage points for both services and housing development. We will think creatively on how to increase the number of units available to our low-income households, while also entering into partnerships that will help our residents improve their opportunities in education, increasing their earnings and meeting goals for their families.

HAWC is committed to centering equity and inclusion in the work we do, to include policies or processes that are considered or changed within the scope of MTW. We will examine practices with a lens toward equity, and engage our households and community partners, with specific outreach to communities of color and tribal communities that have often been excluded from the decision-making process.

SHORT-TERM MTW GOALS

In our first year as an MTW agency, HAWC is focusing on strategies for cost reduction and administrative effectiveness. Our community has experienced significant instability and change in the last two years, and our focus on simplifying processes for the agency and for households will bring better understanding and transparency to our work.

For example, in Year 1 we are proposing to move seniors and people with disabilities to a triennial review schedule, and to vastly simplify aspects of the rent calculation. These changes will save significant staff time by reducing the number of reexaminations and verifications that need to be performed, allowing HAWC to redirect its staff and resources into activities that hold a higher value for its participants. In a time when many of our households need even more supports than usual, we can take advantage of the administrative savings to connect low-income families to services and to collaborate with public and private partners on local initiatives.

We will also implement the Tiered Rent Program demonstration this year. We are hopeful that families who are selected for this program will see an opportunity to increase earnings and decrease paperwork burdens, through the tiered rent schedule and triennial reviews. We look forward to learning from this six-year demonstration and building a future rent calculation that works well for all of our families.

Tiered Rent Program

1.a., 1.b. + Safe Harbor – Tiered Rents

Narrative

As part of our MTW agreement, HAWC will implement a tiered rent program to simplify the way rents are calculated for households. This is part of a rent study with three other MTW agencies and will only apply to a small portion of our households. The initial program is for six years and will begin enrolling households in FY 2022-2023. After six years, any participating households will transition back to the traditional rent calculation or to a revised calculation that would be introduced to the community in the future.

Only households who are work-able are considered eligible for the Tiered Rent Program. Households where the head, co-head or spouse is age 56 or older or a person with disabilities are not eligible. Households participating in FSS or using special purpose vouchers are not eligible.

Households will be selected randomly for participation by the research firm's website. Of the households that are eligible, half will be selected for the Tiered Rent calculation and half will be selected as comparison households. Comparison households will continue to have their rents calculated using the standard calculation.

Under the Tiered Rent Program, households will pay rent based on a rent schedule with tiers of \$2,500 corresponding to the household's gross retrospective (prior year) income (as described in Waivers 1.r. and 1.s.) Rents are set at 28% of the midpoint of each tier. Although the Tiered Rent Program uses gross retrospective income, hardship policies have been established to protect families that will lose significant deductions. See the Hardship Policy information below for more detail.

As described in Waivers 3.a. and 3.b., households that are selected for the Tiered Rent Program will move to a triennial recertification schedule. This means that these households will only complete a full review of retrospective income and rent adjustment once every three years. Households on the Tiered Rent Program who have an increase in income will not need to report that increase in income, and will stay on the same rent payment amount until their next full review.

MTW Statutory Objective: Cost effectiveness; Self-sufficiency

Cost Implications: Increased expenditures; decreased revenue

Different Policy by HH Status / Family types / Sites: This activity applies to all public housing tenants, tenant-based vouchers and project-based vouchers where the participants are non-elderly, non-disabled, and otherwise considered eligible.

Need Safe Harbor Waiver?

Yes - Certain provisions of sections 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.628.

Safe Harbor 1.a.i. & 1.b.i.

The standard MTW waiver provides that when a tiered rent is adopted, TTP/rent is based on the income at the bottom of the tier. For the Tiered Rent Program, the study design has established TTP/rent at 28% of the midpoint of the tier.

Need Hardship Policy? YES (attached)

Hardship Policy applies to more than this activity? This hardship policy applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.
Need Impact Analysis? YES (attached)
Impact Analysis applies to more than this activity? This impact analysis applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.
<p>Custom Questions</p> <p>Please describe how the income bands are structured? Income bands are in increments of \$2,500 in gross annual income. Rents are set at 28% of the midpoint of the tier, divided by 12 (to represent monthly income/rent). Households with income below \$2,500 will pay a minimum rent of \$50. Please upload the tiered rent policy table that shows the income bands.</p> <p>What is the income basis for assigning households to income bands? This activity uses different definitions of income through MTW Waivers 1.r and 1.s: elimination of deductions</p>

Tiered Rent

1.r, 1.s. – Elimination of Deductions

<p>Narrative</p> <p>As described in 1.a. and 1.b., the Tiered Rent Program will utilize a rent schedule based on \$2,500 bands of the household's gross retrospective income. Households who are selected for this program will have their rent calculated using gross income from the prior twelve months (except for new admissions, who will have their rent calculated using current gross income). As a part of the policy, deductions and allowances will not be included in the calculation of gross income.</p>
MTW Statutory Objective: Cost effectiveness
Cost Implications: See cost implications of the program, as described in 1.a. / 1.b.
Different Policy by HH Status / Family types / Sites: See households applicable, as described in 1.a. / 1.b.
Need Safe Harbor Waiver? No
Need Hardship Policy? YES (attached)
Hardship Policy applies to more than this activity? This hardship policy applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.
Need Impact Analysis? YES (attached)
Impact Analysis applies to more than this activity? This impact analysis applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.
<p>Custom Questions</p> <p>Which deductions will be eliminated?</p> <p>Dependent allowances</p> <p>Unreimbursed childcare costs</p> <p>Other (please explain)</p> <p>All deductions, including dependent allowances and deductions for childcare costs, will be eliminated for households participating in the Tiered Rent Program. Families who experience a significant rent</p>

increase due to the loss of these deductions are able to request a hardship and adjustment to their rent calculation.

Tiered Rent Program

3.a., 3.b. + Safe Harbor – Alternative Reexamination Schedule

Narrative

As described in 1.a. and 1.b., the Tiered Rent Program will utilize a rent schedule based on \$2,500 bands of the household's gross income. Households who are selected for this program will move to a triennial recertification schedule. These households will only complete a full review of retrospective income and rent adjustment once every three years. Households on the Tiered Rent Program who have an increase in income will not need to report that increase in income, and will stay on the same rent payment amount until their next full review.

The triennial review schedule will benefit families who increase their earnings. Families will not need to report increased income between triennial reviews, and will keep their full additional earnings to build stability.

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures; Give incentives to families to obtain employment and become economically self-sufficient

Cost Implications: Cost neutral (part of Tiered Rent Program)

Different Policy by HH Status / Family types / Sites See households applicable, as described in 1.a. / 1.b.

Need Safe Harbor Waiver?

Certain provisions of sections 8(o)(5) of the 1937 Act and 24 CFR 982.516(a)(1) and 982.516(c)(2).

3.a.ii. and 3.b.ii.

The standard MTW waiver calls for at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more. However, the study design does not provide for interim adjustments, but instead calls for hardship rent application when a household's income decreases and falls into a lower rent tier.

Need Hardship Policy? YES (attached)

Hardship Policy applies to more than this activity? This hardship policy applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.

Need Impact Analysis? YES (attached)

Impact Analysis applies to more than this activity? This impact analysis applies to 1.a., 1.b., 1.r., 1.s., 3.a., and 3.b.

Custom Questions

Recertification schedule is once every three years.

Households may request 0 interim recertifications per year.

If a family experiences a decrease in income that falls into a lower tier, the family can request a hardship (as opposed to an interim recertification). Please see the hardship policy for additional details.

Rent Simplification

Agency Specific: Income Verification

Documentation to be uploaded

Full description

HAWC is proposing a waiver to the verification hierarchy found in PIH Notice 2018-18, “Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System”. HAWC is proposing this waiver for all households, at recertifications only.

HAWC will continue to use EIV and other Upfront Income Verification (UIV) tools as the first, preferred verification technique. Use of EIV is mandatory. The next level will be tenant-provided documents (including pay stubs) and tenant self-certification. The lowest ranking verification techniques will be third-party verification (written or oral).

This waiver will help reduce cost and streamline processes in verifying income during the reexamination process. In HAWC’s experience, tenant-provided documents and tenant self-certification has been an efficient method of verifying income, when partnered with EIV and UIV.

Statute, Regulation or Operations Notice to be waived: Notice PIH 2018-18

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: All

Cost Implications: HAWC anticipates a modest savings in staff time with this activity, but we do not anticipate staffing reductions. This activity will be relatively cost neutral.

Implementation timeline: HAWC will implement this new process for all households, beginning on July 1, 2022 (pending HUD approval).

Impact Analysis:

1. Agency finances - HAWC anticipates a modest savings in staff time with this activity, but we do not anticipate staffing reductions. This activity will be relatively cost neutral.
2. Affordability of housing costs – No projected impact.
3. Agency waitlist – No projected impact.
4. Termination rate – No projected impact.
5. Occupancy / Utilization – No projected impact.
6. MTW Statutory Goals - This activity is projected to increase staff efficiency by reducing reliance on third-party oral or written income verifications.
7. Statutory Requirements – No projected impact.
8. Hardship requests – No projected impact.
9. Protected classes / Disparate impact – No project impact.

Hardship Policy: This activity will primarily result in administrative efficiency and will not require a specific hardship policy. However, households will retain the existing rights to contest income

findings. If the family disputes the accuracy of the data, the PHA will independently verify and give the family an opportunity to contest findings through the informal review/hearing process of the PHA. These policies are established in Chapters 7 of the HCV Program Administrative Plan and the Public Housing ACOP.

Comments received + Agency response: To follow after public review scheduled for February and March, 2022

Rent Simplification

Agency Specific: Calculation of Asset Income

Documentation to be uploaded

Full description: The calculation of asset income and how it affects a household's rent is often arduous and confusing. Across 2,256 households currently reporting assets, the average annual impact on household rent is \$3.56 per household, per year. The staff time required to collect, verify and calculate asset information is of significant more cost than this.

HAWC is requesting an Agency Specific Waiver to change the way assets are used to calculate rent. Asset information will still be collected and verified at initial eligibility. However, HAWC will disregard all assets when total assets for the household are less than \$100,000. HAWC will not include asset or asset income in the rent calculation, or enter the information into Yardi, if total assets are less than \$100,000. If assets are \$100,000 or more, HAWC will continue to process assets and calculate the impact on rent as usual.

Out of 2,256 households currently reporting assets, only 21 households (or 1%) have assets of \$100,000 or more. The total impact of those assets represents 65% of the difference in final rent calculations across the agency. Continuing to include assets of \$100,000 or more will ensure that households with significant asset income use a portion of that income toward their rent.

Statute, Regulation or Operations Notice to be waived: Certain provisions of section 24 CFR 5.609 (b), 982.516, and sections 3(a)(1) and 3(b)(4)-(5) of the 1937 Act

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: This activity will apply to all new and existing households included in MTW flexibility, including Public Housing, Housing Choice Voucher and Project-Based Voucher households.

Cost Implications: Loss of rental income or increase in HAP expenditures will cost HAWC approximately \$2,836 annually. However, this small cost will be offset by increased staff efficiency and the opportunity for staff to focus on additional supports for households.

Implementation timeline: HAWC will implement this new process and calculation for all new and existing households, beginning on July 1, 2022 (pending HUD approval). Updated calculations will be included at the household's next reexamination.

Impact Analysis:

1. Agency finances – This activity is projected to cost the agency approximately \$2,836 annually in loss of rental income or increase in HAP expenditures.

2. Affordability of housing costs – This activity has no impact or a very small impact for the majority of households with assets of less than \$100,000. (Current process remains in place for households with assets totally more than \$100,000.)

2,235 Households with assets \$1 - \$99,999

		Rent Decrease	
Rent Increase	No change	\$1-\$10	More than \$10
0 households	2,073 households	158 households	4 households

3. Agency waitlist – No projected impact.

4. Termination rate – No projected impact.

5. Occupancy / Utilization – No projected impact.

6. MTW Statutory Goals – This activity is projected to increase staff efficiency by reducing the processes around asset information collection, verification and calculation by more than 90%.

7. Statutory Requirements – No projected impact.

8. Hardship requests – No projected impact.

9. Protected classes / Disparate impact – No projected impact.

Hardship Policy: N/A – This policy does not result in any additional hardships or rent increases for our household.

Comments received + Agency response: To follow after public review scheduled for February and March, 2022.

Rent Simplification

Agency Specific: Calculation of Medical/Disability Expense Deduction

Documentation to be uploaded

Full description: HAWC is requesting MTW flexibility to simplify the calculation of the medical or disability expense deduction, the process of verifying expenses, and how those expenses will impact a household's rent.

HAWC will use a simplified table (below) to calculate allowances related to a household's medical or disability expenses. We will no longer use a varying medical or disability expense threshold for households. In essence, we will take the full amount of the household's expense and round down to the nearest \$1,000 to calculate their deduction. Only medical or disability expenses totaling more than \$1,500 per year are eligible.

Medical /disability expense information can only be submitted once every 12 months. Interim reviews will not recalculate medical expenses. Households will submit medical expense information via a form. For expenses totaling less than \$5,000, HAWC will use tenant self-certification. Receipts will be required for expenses totaling \$5,000 or more.

Medical / Disability expense	Deduction	Medical / Disability expense	Deduction
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\$0 - \$1,500	\$0		\$5,000 - \$5,999	\$5,000
\$1,500 - \$1,999	\$1,000		\$6,000 - \$6,999	\$6,000
\$2,000 - \$2,999	\$2,000		\$7,000 - \$7,999	\$7,000
\$3,000 - \$3,999	\$3,000		\$8,000 - \$8,999	\$8,000
\$4,000 - \$4,999	\$4,000		\$9,000 - \$9,999	\$9,000

Statute, Regulation or Operations Notice to be waived: Certain provisions of 24 CFR 5.611(a)(3) and section 3(a)(1) and 3(b)(5) of 1937 Act

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: All

Cost Implications: HAWC anticipates savings of approximately \$11,000 annually in reduced HAP costs or increased public housing rent. Additionally, HAWC anticipates a savings in staff time with this activity, but we do not anticipate staffing reductions.

Implementation timeline: HAWC will implement this new process and calculation for all new and existing households, beginning on July 1, 2022 (pending HUD approval). Updated calculations will be included at the household’s next reexamination.

Impact Analysis

1. Agency finances – HAWC anticipates savings of approximately \$11,000 annually in reduced HAP costs or increased public housing rent. Additionally, HAWC anticipates a savings in staff time with this activity, but we do not anticipate staffing reductions.

2. Affordability of housing costs – Of the 492 households who currently report medical/disability expenses, the majority will see no change or very little change in their monthly rent due to this activity.

492 Households with reported medical/disability expenses

Rent Increase				Rent Decrease		
\$21+	\$11-\$20	\$1-\$10	No change	\$1-\$10	\$11-\$20	\$21+
6	51	172	177	52	29	5

The largest increase in monthly rent is \$28. The largest decrease in monthly rent is \$44.

3. Agency waitlist – No projected impact.

4. Termination rate – No projected impact.

5. Occupancy / Utilization – No projected impact.

6. MTW Statutory Goals – This activity is projected to increase staff efficiency by reducing the processes around gathering information for medical and disability expenses, calculating the deduction, and reducing medical and disability expense reporting to once every 12 months.

7. Statutory Requirements – No projected impact.

8. Hardship requests – See hardship policy information below. We do not project an impact in the number of hardship requests.

9. Protected classes / Disparate impact – No projected impact.

Hardship Policy – Households will be able to access our standard hardship policy. Because of the current medical / disability expense calculation, many of these households are accustomed to annual changes in their rent, due to changes in their actual annual medical / disability expenses.
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Comments received + Agency response: To follow after public review scheduled for February and March, 2022.
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Rent Simplification

Agency Specific: Discontinue Earned Income Disallowance (EID)

Documentation to be uploaded

Full description

HUD has published proposed rules indicating that the Earned Income Disregard (EID) program will be discontinued. In anticipation, HAWC is proposing an end to our program and to stop enrolling new households into EID as of August 1, 2022. In accordance with the proposed HUD rules, HAWC will allow current EID participants to continue to receive the benefit until the end of their benefit timeframe, or on July 31, 2023.

The current EID program allows some households to disregard income when calculating rent. However, the program is complicated to administer, with a number of different rules related to the calculation and the timeline. Because HUD has indicated the intention to end the program, HAWC is seeking a waiver to discontinue enrollment at this time, providing more time for phasing out the program and exploring other options for supporting households that are increasing their income.

Statute, Regulation or Operations Notice to be waived: Certain provisions of 24 CFR 5.611(a)(3) and section 3(a)(1) and 3(b)(5) of 1937 Act

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: All
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Cost Implications: Cost neutral

Implementation timeline: HAWC will stop enrolling new households into EID as of August 1, 2022, and will allow current EID participants to continue to receive the benefit until the end of their benefit timeline or July 31, 2023 (pending HUD approval).

Impact Analysis

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| <ol style="list-style-type: none">1. Agency finances – Because current households will be allowed to finish out the majority of their planned benefit, HAWC expects minimal impact to agency finances.2. Affordability of housing costs – No projected impact.3. Agency waitlist – No projected impact.4. Termination rate – No projected impact.5. Occupancy / Utilization – No projected impact.6. MTW Statutory Goals – This activity is projected to increase staff efficiency by reducing the processes around administering the EID program.7. Statutory Requirements – No projected impact.8. Hardship requests – No projected impact.9. Protected classes / Disparate impact – No projected impact. |
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Hardship Policy: Because current households will have until their benefit ends or July 31, 2023, HAWC does not anticipate any need for additional hardship policies.

Comments received + Agency response: To follow after public review scheduled for February and March, 2022.

Rent Simplification

Agency Specific: Proration of Assistance for Mixed-Eligibility Households

Documentation to be uploaded

Full description

HAWC is proposing a simplified calculation for rent reduction for households that include a member who does not have eligible citizenship status (called “mixed-eligibility households”). The current proration method for reducing assistance to mixed-eligibility households is very complicated, and impacts smaller households and lower income households on a greater scope. The current impact on households varies between \$0 and more than \$500 in increased monthly rent.

HAWC is proposing a standard subsidy reduction of \$100 to any mixed-eligibility household, regardless of the number of non-eligible citizens in the household. There are currently 46 mixed-eligibility households in our programs – of those, 42 have one non-eligible member and 2 have two non-eligible members. Applying a standard subsidy reduction of \$100 to all households is a more equitable method and will be easier for staff to calculate and for households to understand.

Statute, Regulation or Operations Notice to be waived: Certain provisions of 24 CFR 5.611(a)(3) and section 3(a)(1) and 3(b)(5) of 1937 Act

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: All

Cost Implications: Increase in expenditures

Implementation timeline: HAWC will implement this new process and calculation for all new and existing households in fiscal year 2022-2023, pending HUD approval and software modifications. Updated calculations will be included at the household’s next reexamination.

Impact Analysis

1. Agency finances – HAWC anticipates approximately \$110,000 in decreased public housing rent and/or increased voucher HAP costs per year. After careful consideration, HAWC feels that this cost is worth the value of reduced staff time spent on the calculation, reduced errors, an increase in client understanding, and equitable impact across mixed-eligibility households.

2. Affordability of housing costs – Of the 46 mixed-eligibility households, the majority will see a reduction in rent costs due to this activity. Only 5 households will see a rent increase.

Rent Increase		Rent Decrease				
\$1-\$100	No Change	\$1-\$100	\$101-\$200	\$201-\$300	\$301-400	\$401+
5	2	9	7	10	10	3

The largest increase in monthly rent is \$100. The largest decrease in monthly rent is \$887.

3. Agency waitlist – No projected impact.
4. Termination rate – No projected impact.
5. Occupancy / Utilization – No projected impact.
6. MTW Statutory Goals – This activity is projected to increase staff efficiency by reducing the processes around calculating the assistance reduction for mixed-eligibility households.
7. Statutory Requirements – No projected impact.
8. Hardship requests – No projected impact.
9. Protected classes / Disparate impact – No projected impact.

Hardship Policy: N/A – This policy does not result in any additional hardships or rent increases for our household.

Comments received + Agency response: To follow after public review scheduled for February and March, 2022.

Triennial Reviews for Seniors & People with Disabilities

[3.a., 3.b. – Reexamination Schedule](#)

Narrative: HAWC is implementing a triennial review schedule for seniors and people with disabilities. The triennial review schedule will be applied to households with at least one fixed income source, and where all adults in the households are seniors or people with disabilities. (At this time, both factors must apply for households to qualify for triennial reviews.)

Because this subset of our community are frequently on fixed incomes, they do not see significant rent changes from year to year. Annual reviews can be burdensome for these households. Instead, HAWC will only do a full review for these households once every three years. In 2022, households will be assigned their next review in either 2022, 2023 or 2024, and will not have another regular review for three years after. Households do not need to report changes in income between triennial reviews, unless they have a loss of income and are seeking rent reduction.

HAWC will still update COLA, payment standards, utility allowances and run EIV every year, send rent notice and informational letters to the household reminding them that they're on a triennial review, as well as a reminder to update medical expenses within 30 days if applicable.

If a household where all adults in the household are seniors or people with disabilities is zero income, they will be on a six-month review cycle. The goal of these six-month reviews will be to connect households with services or organizations who can help the household through the process of confirming SSI or SSDI income.

MTW Statutory Objective: Cost effectiveness

Cost Implications: Decreased Expenditures - Analysis shows that this activity will be relatively cost neutral in impact on rents, as most households do not see significant rent increases year to year. This will be a cost savings to the agency, as staff will have a reduced number (approximately 1,000) of

annual reviews to complete each year. [Neutral - We do not anticipate a staffing reduction, but this will give staff the opportunity to engage in supportive services for our clients.]
Different Policy by HH Status / Family types / Sites: Applies to subset - HH Status: new admissions and currently assisted; Family Types: Elderly + Disabled families; Location: All developments, all tenant-based, all project-based
Need Safe Harbor Waiver? No
Need Hardship Policy? Yes (Standard hardship policy attached)
Hardship Policy applies to more than this activity? Yes
Need Impact Analysis? Yes
Impact Analysis applies to more than this activity? No
Custom Questions: What is the recertification schedule? Once every three years How many interim recertifications per year may a household request? Unlimited Please describe briefly how the MTW agency plans to address changes in the family/household circumstances under the alternative reexamination schedule? Households will have access to our standard hardship policy if they feel their current rent calculation is putting their housing stability at risk. HAWC will track and annually review the hardship requests received by these household to ensure the policy is not having a negative or bias impact on these households. Families can also request interims as needed, if the change in household circumstances warrants.

HQS Inspection Processes

14.a. – Moving On Program: Waive Initial HQS Requirement

Narrative: Moving On enables individuals and families who are able and want to move from permanent supportive housing (PSH) to do so by providing mainstream housing options, like public housing units or rent assistance vouchers. HAWC is utilizing our MTW authority to waive the requirement for an additional HQS inspection if the household is going to use mainstream housing options (such as a voucher) to continue to lease the same unit. HAWC anticipates this activity will be relatively cost neutral, with some staff time savings through the policy, but significant improvements in administrative efficiency.
MTW Statutory Objective: Cost effectiveness; Housing choice
Cost Implications: Neutral
Different Policy by HH Status / Family types / Sites: No
Need Safe Harbor Waiver? No
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A

Custom Questions: N/A

HQS Inspection Processes

5.c. – HQS Third-Party Requirement

<p>Narrative: HAWC is proposing to eliminate the requirement for a third party to conduct HQS inspections on units our agency owns or controls, when assisted with tenant-based or project-based vouchers. HAWC currently engages a third-party contractor to conduct HQS inspections in these cases, and it is time consuming and costly. Using HAWC staff to conduct HQS inspections will streamline processes and create cost effectiveness. HAWC will continue to have a sampling of inspections done by our auditor to ensure quality control and transparency in the process.</p>

MTW Statutory Objective Cost effectiveness
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Cost Implications Cost savings

Different Policy by HH Status / Family types / Sites All
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Need Safe Harbor Waiver? No

Need Hardship Policy? No

Hardship Policy applies to more than this activity? N/A

Need Impact Analysis? No

Impact Analysis applies to more than this activity? N/A

Custom Questions

<p>Quality Assurance method: HAWC will continue to utilize our internal quality control process of HQS audits, ensuring that a minimum amount of inspections are reviewed by a secondary staff member. This is similar to the SEMAP HQS audit process.</p>
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Local Project-Based Voucher Program

2.d. – Rent Reasonableness – Third-Party Requirement

Narrative

<p>HAWC is proposing to eliminate the requirement for a third party to conduct rent reasonableness on units our agency owns or controls, assisted with project-based vouchers. HAWC currently engages a third-party contractor to conduct rent reasonableness in these cases, and it is time consuming and costly. Conducting rent reasonableness calculations internally will streamline processes and create cost effectiveness. HAWC will utilize GoSection8 Rent Reasonableness software for all rent reasonableness processes to ensure quality control and transparency. The program allows Quality Control reviews of the rent reasonableness in which an auditor has access to perform quality control audits on the rent reasonableness determination. Rent reasonableness documentation with comparable will still be transmitted to HUD for Subsidy Layering Reviews.</p>
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MTW Statutory Objective: Cost effectiveness

Cost Implications: Decreased expenditures

Different Policy by HH Status / Family types / Sites: All
Need Safe Harbor Waiver? No
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? No
<p>Custom Questions</p> <p>Quality assurance method: The program allows for quality control reviews of the rent reasonableness in which an auditor has access to perform quality control audits on the rent reasonableness determination. Rent reasonableness documentation with comparable will still be transmitted to HUD for Subsidy Layering Reviews.</p> <p>Rent reasonableness determination method: HAWC will utilize GoSection8 Rent Reasonableness software for all rent reasonableness processes. The process includes comparable based on up-to-date market units and costs. The software's processes and certification of each review adheres to HUD's rent reasonableness standards.</p>

Local Project-Based Voucher Program

5.a. – Pre-Qualifying Unit Inspections

Narrative: HAWC is proposing the option to allow pre-qualifying unit inspections, within 90 days of the participant occupying the unit. Allowing pre-qualifying inspections will streamline the process and allow households to move through occupancy more quickly.
MTW Statutory Objective Cost effectiveness
Cost Implications None
Different Policy by HH Status / Family types / Sites All
Need Safe Harbor Waiver? None
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A
<p>Custom Questions</p> <p>The pre-inspection period will be valid for 90 days.</p>

Local Project-Based Voucher Program

5.d. – Alternative Inspection Schedule

Narrative: HAWC is proposing that in lieu of initial staff inspections of PBV units before occupancy or at turnover (per 24 CFR 983.103(b)-(c)), properties in good standing will self-certify adherence to HQS inspection standards. This policy will allow for the landlord and tenant to complete and sign a self-certification of inspection at the time of lease up, with documentation submitted at the same time as the other leasing paperwork. Once received, staff will review and if approved, place the PBV unit on an annual inspection cycle.

This policy will only apply to properties in good standing, and HAWC may require initial inspections at any PBV unit if there are concerns with failed inspections in the property. Additionally, the participant can request an interim inspection at any time. All initial inspections on a contract will be conducted by an HQS inspection, including but not limited to new construction, rehabilitation and unit transfers. The unit must pass at least one full HQS inspection before it will be eligible for an initial self-certification.

HAWC will employ a quality control process of HQS internal audits, randomly selecting a percentage of self-certified inspections to receive a secondary inspection by internal staff. HAWC will also track interim inspection requests and results from annual inspections, to monitor if the policy is having any negative or bias impact on housing quality or residents.

MTW Statutory Objective: Cost effectiveness

Cost Implications: Cost savings

Different Policy by HH Status / Family types / Sites: All

Need Safe Harbor Waiver? No

Need Hardship Policy? No

Hardship Policy applies to more than this activity? N/A

Need Impact Analysis? No

Impact Analysis applies to more than this activity? N/A

Custom Questions (None)

Local Project-Based Voucher Program

9.a. – Increase PBV Program Cap

Narrative: HAWC is proposing to increase the number of authorized units that we may project-base up to 50%. Project-based vouchers (PBVs) are an important resource in our community, allowing the agency to coordinate with local property owners, developers, service coordinators and jurisdictional partners to provide targeted housing for different populations.

MTW Statutory Objective Increase housing choice

Cost Implications Neutral

Different Policy by HH Status / Family types / Sites All
Need Safe Harbor Waiver? No
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A
Custom Questions What percentage of total authorized units will be authorized for project-basing? 50%

Local Project-Based Voucher Program

9.b. – Increase PBV Project Cap

Narrative HAWC is proposing to increase the PBV cap within a project to 100%. Project-based vouchers (PBVs) are an important resource in our community, allowing the agency to coordinate with local property owners, developers, service coordinators and jurisdictional partners to provide targeted housing for different populations.
MTW Statutory Objective Increase housing choice
Cost Implications Neutral
Different Policy by HH Status / Family types / Sites All
Need Safe Harbor Waiver? No
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A
Custom Questions (None)

Local Project-Based Voucher Program

9.c. – Eliminate PBV Selection Process for PHA-owned projects

Narrative: HAWC is proposing to eliminate the selection process in the award of PBVs to properties owned by the agency that are not public housing without engaging in an initiative to improve, develop, or replace a public housing property or site. HAWC will continue to abide by the additional HUD selection requirements and will maintain transparency with our community.
MTW Statutory Objective Increase housing choice
Cost Implications Neutral

Different Policy by HH Status / Family types / Sites All
Need Safe Harbor Waiver? No
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A
Custom Questions (None)

Local Project-Based Voucher Program

9.h. + Safe Harbor – Limit Portability for PBV Units

<p>Narrative: HAWC is proposing to waive the current requirement to provide a tenant-based voucher at 12 months when requested by a PBV household. Because of the limited availability of tenant-based vouchers in our community, we currently have a list of approximately 1,800 households waiting to access a tenant-based voucher – with many more in our community who are eligible, but not yet on any waitlist.</p> <p>HAWC will limit the preference for a tenant-based voucher at 12 months to PBV households who are requesting transfer because of a VAWA or another similar accommodation. Requests must be submitted in writing and will be reviewed by the Program Manager. If a request is denied, the household would have the right to an informal review through the hearing process.</p>
MTW Statutory Objective Increase housing choice
Cost Implications Neutral
Different Policy by HH Status / Family types / Sites All
<p>Need Safe Harbor Waiver?</p> <p>9.h.i. – “Portability under this activity must not be restricted for more than 24 months.”</p> <p>HAWC is proposing to restrict portability based on need of the PBV household (for example, VAWA transfer, reasonable accommodation), rather than on a timeframe.</p>
Need Hardship Policy? No
Hardship Policy applies to more than this activity? N/A
Need Impact Analysis? No
Impact Analysis applies to more than this activity? N/A
Custom Questions (None)

Voucher Set-Aside Program

Agency Specific: Voucher Set-Aside Program

Documentation to be uploaded

<p>Full description</p> <p>HAWC regularly partners with local service providers to create housing programs that provide supports to ensure stability and success for participating families. The partnerships frequently center around Project-Based Vouchers (PBVs). HAWC is proposing an activity that allows the agency to set aside an agreed-upon number of tenant-based vouchers, when partnering with a service provider to serve a vulnerable target population.</p> <p>At this time, HAWC is working with a local school district to create a program aimed to house homeless students and their families. Washington County includes several school districts with notably high populations of homeless students, including Beaverton School District with the highest number of homeless students in the State of Oregon. The program will partner services provided by the school district's McKinney Vento program with a tenant-based voucher for the family, and possibly additional supports provided by local services providers through our coordinated entry system. In FY2022-2023, HAWC is planning to set-aside 50 tenant-based vouchers to serve these homeless families, and provide housing stability to families with young children enrolled in the school.</p>
Statute, Regulation or Operations Notice to be waived: Certain provisions of 24 CFR 5.611(a)(3) and section 3(a)(1) and 3(b)(5) of 1937 Act
MTW Statutory Objective: Housing choice
Population groups and household types impacted by this activity: Families with children
Cost Implications: Cost neutral
<p>Impact Analysis</p> <ol style="list-style-type: none">1. Agency finances – No projected impact.2. Affordability of housing costs – This activity will provide affordable housing for up to 50 homeless families with students in the partnering school system.3. Agency waitlist – No projected impact. The agency will continue to pull from the waitlist to increase utilization and maintain leasing numbers.4. Termination rate – No projected impact.5. Occupancy / Utilization – Because these vouchers are part of the regular ACC and may be paired with additional supports to find and maintain stable housing, this program may increase utilization in the voucher program.6. MTW Statutory Goals - This activity is projected to increase access to affordable housing for homeless families in our community.7. Statutory Requirements – No projected impact.8. Hardship requests – No projected impact.9. Protected classes / Disparate impact – No project impact.
Hardship Policy: HAWC does not anticipate a negative impact on households through this activity. Therefore, no specific hardship policy is needed.
Comments received + Agency response: To follow after public review scheduled for February and March, 2022.

Strategic Waitlists

Agency Specific: Strategic Waitlists

Documentation to be uploaded

Full description

HAWC's Project-Based Voucher (PBV) program serves a variety of household types, often in specific settings or with linked services that increase the likelihood of success and stability for the voucher holder. Similarly, the proposed Voucher Set-Aside program will provide assistance to targeted households, coupled with services and supports for those families.

To maximize efficiency for our PBV and Voucher Set-Aside programs, HAWC is proposing use of strategic waitlist options. This activity will allow HAWC to utilize deliberate waitlist strategies for each PBV or Voucher Set-Aside program, to create a waitlist process that is the best fit for the individual scenarios. Strategic waitlist options include:

1) Referral-based placement: In situations where HAWC is working with a specific provider or a very targeted household type, HAWC may forego use of a waitlist and instead use a referral and selection process. HAWC will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained by HAWC, but HAWC will not add the household to a waiting list, just to be immediately selected. This process will be modeled after the same procedure currently used for the existing VASH program.

For example, HAWC has dedicated PBV units for chronically homeless individuals, with supportive services linked to the assistance to ensure the household has the highest likelihood of housing stability. Our community has successfully established a Coordinated Entry System, through which people experiencing homelessness or at imminent risk of homelessness can find housing resources and be connected with qualified service providers. When HAWC has available PBV units dedicated to this specific population, it makes the most sense to accept referrals direction from the coordinated entry system using a network of referrals, instead of establishing a wait list with information that will quickly become obsolete.

When using a referral-based placement option, HAWC will establish an MOU with the referring partner, and will institute quality control metrics to ensure that households are being referred in an equitable manner.

2) Site-based waitlists: HAWC may allow individual PBV or Voucher Set-Aside programs to maintain their own site-based waiting lists with individual preferences. Site-based waitlists are often more practical to manage, than the alternative of HAWC individually managing multiple different lists. In addition, it sometimes creates a better connection between the applicant and the property or program they've applied to.

HAWC is likely to use site-based waitlists when the project has the capacity to administer the waitlist for all units identified in the PBV HAP contract. The community provider and leasing agents must demonstrate the ability to adhere to the site-based waitlist policies, and would be subject to contract monitoring to ensure the waitlist is being managed correctly by each contract. HAWC may still choose to administer select waitlists internally, per the current standard PBV waitlist processes.

When using a site-based waitlist option, HAWC will establish an MOU with the waitlist manager, and will institute quality control metrics to ensure that households are being selected in an equitable manner.

3) Centralized PBV waitlist: For PBV units that are not dedicated to specific populations or services, HAWC may create a centralized waitlist similar to our centralized public housing waitlist. Households placed on this centralized waitlist will be eligible for the multiple PBV units and properties included in the waitlist. This will maximize efficiencies in administering the waitlist and remove the necessity for households to register on each PBV waitlist that comes online.

As households are selected from the centralized waitlist, they will be given the option to refuse up to three available PBV units before they are removed from the list. The centralized waitlist will be administered internally, with the same quality control processes as our current public housing and tenant-based voucher waitlists.

For PBV units that are dedicated to specific populations or services, HAWC will continue to administer individualized waitlists or one of the other strategic waitlist options specified here.

4) Local waitlist preferences: HAWC may choose to implement specific preferences for individual PBV or Voucher Set-Aside waitlists, when there is not an appropriate partner to refer applicants or to administer a site- or program-based waitlist. Creating local preferences allows HAWC to ensure that the waitlist process is selecting applicants who are best served by the associated services and supports.

HAWC will ensure the preference is clear in the waitlist information at the time of application. Applicants will self-certify the preference and will be pulled based on preference time and date, then general time and date.

Statute, Regulation or Operations Notice to be waived: Certain provisions of 24 CFR 5.611(a)(3) and section 3(a)(1) and 3(b)(5) of 1937 Act

MTW Statutory Objective: Reduce cost and achieve greater cost effectiveness in federal expenditures

Population groups and household types impacted by this activity: Vouchers

Cost Implications: Cost neutral

Implementation timeline: HAWC will begin to consider and implement new waitlist processes after July 1, 2022 (pending HUD approval).

Impact Analysis

1. Agency finances - HAWC anticipates a modest savings in staff time with this activity, but we do not anticipate staffing reductions. This activity will be relatively cost neutral.
2. Affordability of housing costs – No projected impact.
3. Agency waitlist – No projected impact.
4. Termination rate – No projected impact.
5. Occupancy / Utilization – HAWC anticipates a faster lease-up time for our Project-Based Voucher units and our Voucher Set-Aside program, when strategic waitlist options are used.
6. MTW Statutory Goals - This activity is projected to increase staff efficiency by reducing time spent managing multiple individualized waitlists.

- | |
|---|
| 7. Statutory Requirements – No projected impact.
8. Hardship requests – No projected impact.
9. Protected classes / Disparate impact – No project impact. |
| Hardship Policy – HAWC does not anticipate a negative impact on households through this activity. Therefore, no specific hardship policy is needed. |
| Comments received + Agency response: To follow after public review scheduled for February and March, 2022. |

Tiered Rent Program – Bands

Tier	Income Minimum	Income Maximum	Monthly Rent
1	\$0	\$2,499	\$50
2	\$2,500	\$4,999	\$87
3	\$5,000	\$7,499	\$146
4	\$7,500	\$9,999	\$204
5	\$10,000	\$12,499	\$262
6	\$12,500	\$14,999	\$321
7	\$15,000	\$17,499	\$379
8	\$17,500	\$19,999	\$437
9	\$20,000	\$22,499	\$496
10	\$22,500	\$24,999	\$554
11	\$25,000	\$27,499	\$612
12	\$27,500	\$29,999	\$671
13	\$30,000	\$32,499	\$729
14	\$32,500	\$34,999	\$787
15	\$35,000	\$37,499	\$846
16	\$37,500	\$39,999	\$904
17	\$40,000	\$42,499	\$962
18	\$42,500	\$44,999	\$1,021
19	\$45,000	\$47,499	\$1,079
20	\$47,500	\$49,999	\$1,137
21	\$50,000	\$52,499	\$1,196
22	\$52,500	\$54,999	\$1,254
23	\$55,000	\$57,499	\$1,312
24	\$57,500	\$59,999	\$1,371
25	\$60,000	\$62,499	\$1,429
26	\$62,500	\$64,999	\$1,487
27	\$65,000	\$67,499	\$1,546
28	\$67,500	\$69,999	\$1,604
29	\$70,000	\$72,499	\$1,662
30	\$72,500	\$74,999	\$1,721
31	\$75,000	\$77,499	\$1,779
32	\$77,500	\$79,999	\$1,837
33	\$80,000	\$82,499	\$1,896

Tiered Rent Program: Impact Analysis

This impact analysis applies to the following waivers:

- a. 1.a., 1.b. + Safe Harbor – Tiered Rents
- b. 1.r., 1.s. – Elimination of Deductions
- c. 3.a., 3.b. + Safe Harbor – Reexamination Schedule

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

HAWC anticipates approximately \$39,000 in decreased public housing rent and/or increased voucher HAP costs per year under the Tiered Rent Program.

Annual Agency Impact

Public Housing Rents (decreased income)	Housing Assistance Payments (increased expense)	Total Agency Impact
-\$5,000	\$34,000	\$39,000

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

The following analysis uses the current information of households that would be considered eligible for the program. We have approximately 600 households that would likely be eligible – half will be randomly selected and half will be assigned to the control group. 70% of eligible households will see a rent decrease or no change if they are selected for the Tiered Rent Program.

This impact analysis takes into account established hardship policies to mitigate the impact of the policy for families who have childcare expenses of \$2,500 and/or families who have five or more dependents. Because of the policy's removal of deductions, these households saw significant rent increases when moving to the Tiered Rent Program. HAWC has established hardship policies to moderate these rent increases.

The average rent change across all eligible households is a **decrease** in rent of \$10.81. For those households that see a rent increase, the average increase is \$24. The largest projected increase is \$61 in monthly rent.

	Households	Percentage
Rent Decrease	311	52%
No change*	108	18%
Rent Increase	181	30%
Rent Increase Increments		
\$5-\$10	29	5%
\$11-\$25	65	11%
\$26-\$50	79	13%
\$51 or more	8	1%

	Amer Ind/ Alaska Nat	Asian	Black/ African Amer	Hispanic	Native HI/ Pac Island	White
No. of Households	6	15	136	135	14	429
Avg Rent Change	\$18.00	(\$27.33)	(\$9.32)	(\$6.40)	(\$27.21)	(\$10.57)
Rent Decrease	-	10	67	62	9	225
No change	-	2	20	25	2	84
Rent Increase	6	3	49	48	3	120
Rent Increase Increments						
\$5-\$10	2	2	5	11	1	19
\$11-\$25	3	1	18	13	1	42
\$26-\$50	1	-	26	20	-	52
\$51 or more	-	-	-	4	1	7

Table Notes:

- Due to rounding calculations, “No Change” is defined as a projected rent increase or decrease of less than \$5.
- Race and ethnicity terms are per the HUD required reporting fields.
- Households counted in the “Hispanic” column may also be counted in other race/ethnicity columns.
- Because of statistically small counts of American Indian/Alaskan Native, Asian, and Native Hawaiian/Pacific Islander households, the average rent impact numbers are easily skewed by outlying households.

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

No anticipated impact

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

No anticipated impact

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

No anticipated impact

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

HAWC anticipates a positive impact on the statutory goals of cost effectiveness and self-sufficiency. Triennial reviews and the elimination of deductions are expected to result in administrative efficiencies and reduction in staff time for annual reviews.

Because households do not have to report income increases between triennial recertifications, HAWC anticipates increased incentive (or decreased disincentive) for families to increase earnings and move

toward self-sufficiency. Households will be able to use increase income in the time between triennial reviews to build financial and housing stability.

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

No anticipated impact

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

HAWC anticipates that a higher number of households in the Tiered Rent Program will request a hardship than under the current policy. Families who have unreimbursed childcare expenses and those that have a significant number of dependents will see a higher impact through the Tiered Rent Program, due to the loss of deductions.

HAWC has established a hardship policy for households with annual childcare expenses of \$2,500 or more, and for those with 5 or more dependents to mitigate the impacts of the change to the Tiered Rent Program. Of the 600 anticipated households eligible for the Tiered Rent Program, approximately 40 households (about 7%) would qualify for these hardships.

HAWC has also established a hardship policy for households whose current income is lower than their retrospective income and for those who have an unexpected loss in income or significant unexpected expense. HAWC will track hardship requests, approvals or denials, and the impact on staff time.

9. Impact on protected classes (and any associated disparate impact)

As previously stated, this program has the largest impact for families with unreimbursed childcare expenses and/or a significant number of dependents. Among eligible families, our households with five or more dependents more often have heads of household who are Black/African American or Hispanic. HAWC recognized disparate impact by race/ethnicity in the Tiered Rent Program and has taken significant steps to mitigate that impact.

The original Tiered Rent Program as described in the Final MTW Operations Notice designed a tiered rent structure based on 30% of income at the middle of each tier. Because the calculation no longer included deductions for dependents or unreimbursed childcare expenses, we saw significant rent increases for many of our families. After reviewing the analysis, HUD agreed to change the rent structure to tiers based on 28% of income.

The change to 28% improved impacts for our households and decreased the number of families who would see a rent increase, but HAWC still saw disparate rent increases for families with 5 or more children, who were more often led by heads of household who are Black/African American or Hispanic. Although it is not a part of the policy as defined by HUD, HAWC is implementing an agency-specific hardship policy for families with 5 or more dependents. This hardship policy will lower rent increases for large families and significantly reduce the disparate impact between households by race/ethnicity.

The table on the next page shows the different impacts as HAWC has developed policy. Hardship policies have reduced the disparate impact between households by race/ethnicity, but on average our Black/African American and Hispanic households see a smaller rent reduction than the total population.

Original Policy

Rents based on 30% of income

Rent Increases 72%
 No change (\$4 to -\$4) 16%
 Rent Decreases 12%

Highest Increase: \$415

	All Households	Amer Ind/ AK Native*	Asian*	Black/ AA	Hispanic	Native HI/ Pac Isl*	White
Avg Impact	\$29.75	\$48.67	\$16.60	\$36.63	\$32.45	\$23.07	\$26.11
Average Impact for Households with 5+ dependents: \$70.47							

Revised Policy

Rents based on 28% of income

Rent Increases 30%
 No change (\$4 to -\$4) 18%
 Rent Decreases 52%

Highest Increase: \$98

	All Households	Amer Ind/ AK Native*	Asian*	Black/ AA	Hispanic	Native HI/ Pac Isl*	White
Avg Impact	(\$9.56)	\$18.00	(\$27.33)	(\$5.87)	(\$6.57)	(\$27.21)	(\$11.33)
Avg Impact for Households with 5+ dependents: \$29.47							

HAWC Hardship Policy

Rents based on 28% of income

\$30 rent increase cap for large households

Rent Increases 30%
 No change (\$4 to -\$4) 18%
 Rent Decreases 52%

Highest Increase: \$61

	All Households	Amer Ind/ AK Native*	Asian*	Black/ AA	Hispanic	Native HI/ Pac Isl*	White
Avg Impact	(\$10.81)	\$18.00	(\$27.33)	(\$9.32)	(\$6.40)	(\$27.21)	(\$10.57)
Avg Impact for Households with 5+ dependents: \$12.53							

Table Notes:

- Less than 20 eligible households in the American Indian/Alaskan Native, Asian, and Native Hawaiian/Pacific Islander categories. Outliers may skew averages.
- Numbers in parentheses represent decreases in anticipated monthly rent.

Tiered Rent Program: Hardship Policy

Participating in the Tiered Rent Program should not threaten an individual or family's housing stability. HAWC offers an affordability hardship to address childcare expenses, unexpected decreases in income, or exceptional household expenses, such as a large medical bill. HAWC also offers a Transition Discount for Large Families, for families with 5 or more dependents who would see a significant increase in rent when moving to the Tiered Rent Program.

Affordability Hardship

This hardship application may be initiated by staff at enrollment or recertification, or may be requested by any household at any time. An approved rent adjustment may be enacted for 3 months, 6 months, or 12 months dependent on the circumstance. Renewal of hardship will require request from the household and approval from the agency.

If a household has...	Rent will be adjusted by...	Additional details...
Childcare expenses above \$2,500 per year	The household's childcare expenses will be deducted from current annual income. This adjusted annual income will be used to determine tiered rent.	This hardship can be approved at the OS level. This hardship has 12-month duration, or until the household's next regularly scheduled review, whichever is sooner.
A decrease in household income that drops the rent determination into a lower tier	The household's annual income will be calculated using their current income, instead of their past income. Current income will be used to determine tiered rent.	This hardship can be approved at the OS level. This hardship has 12-month duration, or until the household's next regularly scheduled review, whichever is sooner.
A significant unexpected event, such as a large medical expense, requiring temporary rent relief to avoid eviction	The expense will be deducted from annual income. This adjusted annual income will be used to determine tiered rent. OR To ensure housing stability, the household's rent may be reduced as appropriate for a shorter amount of time.	<ul style="list-style-type: none">• This hardship will be reviewed by and require approval from a supervisor.• The household will be asked to provide documentation demonstrating the expense.• The hardship may last for 3 months, 6 months, or 12 months depending on remedy.• The household may request that the hardship be renewed.

How do I request a hardship?

To qualify for a hardship, you must be following all program rules and regulations, and not owe HAWC money, or if you do owe money, be current in your repayment agreement. HAWC staff will remind households of the hardship policy during intake and regular reexamination meetings, and will initiate

hardship requests if the household reports circumstances that qualify (such as childcare expenses or lower current income).

Households can also request hardships between triennial recertifications. This can be done by submitting a request in writing with review from a supervisor and will be similar to the current process for requesting an interim review.

If your hardship request is not approved, you will be able to appeal the decision for further review. If your appeal is denied, you will be able to request an informal hearing to review the determination of your monthly rent. Informal hearings are conducted by HAWC's Hearing Officer.

When your hardship expires, you can request a renewal if your circumstances have continued. If you do not request a renewal or the renewal is denied, your rent will return to the tiered rent assigned at your most recent triennial review. Triennial review schedules will not change due to hardship requests, approvals or denials.

Translation Services

To request a translation of this document into another language (Spanish, Vietnamese, Arabic, Somali, Japanese, Micronesian, etc), please call 503-846-4814 or email voucherteam@co.washington.or.us.

Tiered Rent Transition Discount for Larger Families

Because the Tiered Rent Program no longer includes dependent deductions, households with five or more dependents sometimes see a significant increase in rent when they transition to the tiered rent program. To help these families retain housing stability, HAWC offers a transition hardship policy that caps the rent increase due to program change.

- 1) Does the household have annual childcare expenses above \$2,500? If yes, apply the affordability hardship to their tiered rent calculation.
- 2) Does the household have a decrease in income? If yes, apply the affordability hardship to their tiered rent calculation.
- 3) After #1 and #2, does the household still have a projected increase in monthly rent of more than \$30? AND does the household have 5 or more dependents? If yes, apply the discount to cap their rent increase at \$30 (see example below).

Please note that this policy only applies to programmatic rent increases as a result of a change in the calculation. If a household has an increase in income that moves them to a different tier on the rent schedule, the corresponding rent increase will still apply.

The occupancy specialist will use the steps above to calculate the discount that caps the programmatic rent increase at \$30. If there is an increase in income that moves the household to a different tier on the rent schedule, the occupancy specialist will determine that rent and then apply the discount.

Similarly, if the household moves to a different unit, the occupancy specialist will use the tiered schedule to determine rent, and then apply the discount.

- The transition discount is applicable only through the tiered rent study, ending in 2028-2029.
- The policy has a 12-month duration. At the expiration, the family has the option to confirm that they still meet the criteria for the policy and request a renewal.
- At the first triennial review, the enrollment discount will continue to be applied if the household still has 5 or more dependents.
 - If the household has new childcare expenses about \$2,500 or has experienced a decrease in income, authorization to continue to apply the enrollment discount will be determined by a supervisor.

See the example household on the next page for more information.

Tiered Rent Transition Discount for Larger Families

Example household:

Household A is a single-adult household with 5 dependents, \$17,631 in annual income and no childcare expenses. The transition to the Tiered Rent Program would result in an increase of \$88 in monthly rent – from current rent of \$128 to future rent of \$216.

Tier 8: \$437
 Less utility allowance: \$253
 Year 1 Rent (no discount): \$184
 Current rent: \$128
 Difference: \$56

Tier	Income Minimum	Income Maximum	Monthly Rent
1	\$0	\$2,499	\$50
2	\$2,500	\$4,999	\$87
3	\$5,000	\$7,499	\$146
4	\$7,500	\$9,999	\$204
5	\$10,000	\$12,499	\$262
6	\$12,500	\$14,999	\$321
7	\$15,000	\$17,499	\$379
8	\$17,500	\$19,999	\$437
9	\$20,000	\$22,499	\$496
10	\$22,500	\$24,999	\$554
11	\$25,000	\$27,499	\$612
12	\$27,500	\$29,999	\$671
13	\$30,000	\$32,499	\$729
14	\$32,500	\$34,999	\$787
15	\$35,000	\$37,499	\$846

The occupancy specialist will verify criteria and apply a **discount of \$26** to cap the rent increase at \$30 – from a current rent of \$128 to a future rent of \$158.

Tier 8: \$437
 Less utility allowance: \$253
Less transition discount: \$26
 Year 1 Rent: \$158
 Current rent: \$128
 Difference: \$30

In Year 3, Household A reports an increase in earned income to \$28,000. This moves the household to Tier 12 on the schedule. Because the household still has 5 or more dependents and no childcare expenses, the occupancy specialist calculates the household's rent and applies the transition discount.

Tier 12: \$671
 Less utility allowance: \$253
Less transition discount: \$26
 Year 3 Rent: \$392

Triennial Reexamination Schedule: Impact Analysis

This impact analysis applies to the following waivers:

3.a., 3.b. – Reexamination Schedule

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

Although HAWC anticipates time savings in this activity, we do not anticipate an impact on agency finances.

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

No anticipated impact

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

No anticipated impact. Although fewer families may transition from assistance in the time between triennial reviews vs annual reviews, this population tends to be relatively stable in their need for ongoing assistance and HAWC projects that any impact would be minimal.

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

No anticipated impact

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

No anticipated impact

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

HAWC anticipates an increase in administrative efficiency and cost effectiveness through this activity. After review of the time spent on a typical annual recertification, HAWC projects approximately 900 hours in time savings per year, due to shifting these households to a triennial recertification schedule.

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

No anticipated impact

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

No anticipated impact

9. Impact on protected classes (and any associated disparate impact)

No anticipated impact

Standard Hardship Policy

Policies as established in Chapters 6-III.B. of the HCV Program Administrative Plan and the Public Housing ACOP.

Implementation of Hardship Exemption

Determination of Hardship

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

PHA Policy

The PHA 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 share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption					
Assume the PHA has established a minimum rent of \$50.					
Family Share – No Hardship			Family Share – With Hardship		
\$0	30% of monthly adjusted income		\$0	30% of monthly adjusted income	
\$15	10% of monthly gross income		\$15	10% of monthly gross income	
N/A	Welfare rent		N/A	Welfare rent	
\$50	Minimum rent		\$50	Minimum rent	
Minimum rent applies. TTP = \$50			Hardship exemption granted. TTP = \$15		

PHA Policy

To qualify for a hardship exemption, a written request for a hardship exemption must be submitted by the family. An advocate or social service provider may also submit a request for an exemption on behalf of the family. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. The PHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

PHA Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must 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 the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed, and the hardship is now a long-term hardship.

PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must 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.

PHA Policy

The hardship period ends when any of the following circumstances apply:

- 1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- 2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- 3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

Public Housing Operating Subsidy Grant Reporting

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	\$	\$	\$	09/30/2029
2022	\$	\$	\$	09/30/2030
2023	\$	\$	\$	09/30/2031

MTW Statutory Requirements

Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
80% - 50% Area Median Income	-
49% - 30% Area Median Income	-
Below 30% Area Median Income	-
Total Local, Non-Traditional Households	0

HAWC did not operate any Local, Non-Traditional during the most recently completed Fiscal Year or prior full calendar year.

Establishing Reasonable Rent Policy

HAWC participation in the second cohort of the MTW Expansion will evaluate alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. The design of the tiered rent reform program is currently being developed with guidance from the independent research team lead by MDRC and HUD's office of Policy Design and Research. The focus of the study will be to implement an income tiered rent with tenant rent established at 28% of gross income at the mid-point income of the tier. This program enables families within the tier to increase income without an impact to the tenant rent for a period of three years. Following the three-year period, the family income will be reviewed and a new income tier rent established for the subsequent three-year period. Enrollment in this study group is anticipated to commence in fiscal year 2022-2023 and is intended to complete enrollment within 12 months. The study will continue through a 6-year period that includes two cycles of triennial recertification for study participants.

Public Comment

All comments received and a description of how the agency analyzed comments will be attached after the public comment period.

Evaluations

HAWC's participation in the second cohort of the MTW Expansion will evaluate alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. HAWC will be studying a tiered rent model. An independent research team led by MDRC will work with HUD, HAWC, and the

other selected agencies to assist in implementation and evaluate the effects of the alternative rent policy. HAWC anticipates evaluation to run July 1, 2022 through June 30, 2028.

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