

Chapter 20

MOVING TO WORK (MTW) EXPANSION PROGRAM

4/22/2024

INTRODUCTION

In April 2022, HUD (Housing and Urban Development) invited public housing authorities to submit applications for admission into the Asset Building Cohort of the MTW Expansion Program. In July 2022, the Madison Housing Authority (MHA) applied to the Moving to Work Demonstration Program: Asset Building Cohort. In September 2022, MHA received notification from HUD General Deputy Assistant Secretary of its selection for admission to the Asset Building Cohort based on MHA's excellent work and desire to be more effective in supporting low-income families and individuals. MHA became an officially designated MTW Expansion Program Agency effective January 1, 2023. MTW allows agencies to exercise administrative flexibility to respond to the unique needs of the local community.

The MTW Demonstration Program was originally authorized by Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, P.L. 104-134; 42 U.S.C. 1437f note (1996 MTW Statute). Section 239 of the Fiscal Year 2016 Appropriations Act, Public Law 114-113 (2016 MTW Expansion Statute), authorizes HUD to expand the MTW Demonstration Program by designating an additional 100 PHAs (Public Housing Authorities). PHAs selected as part of the MTW Expansion must be high performers, meet certain size and Rental Assistance Demonstration (RAD) requirements, and represent geographical diversity across the country. All PHAs in the MTW Expansion must follow the MTW Operations Notice (<https://www.federalregister.gov/d/2020-18152>), which governs the participation of all PHAs in the MTW Expansion, establishes program structure, details terms and conditions, and provides all available MTW waivers and associated activities.

MTW allows PHAs to move away from a "one-size-fits-all" approach to affordable housing to address the distinct issues they face more effectively. HUD studies outcomes of MTW agencies to determine "what works" in housing.

HUD understands the importance of thinking creatively, focusing on best practices, and providing new housing solutions for those serving the most vulnerable by allowing agencies to merge their funding streams and design creative policies. MTW recognizes that local agencies and their stakeholders are in the best position to assess the needs and challenges of their communities and rental markets. It is important that local leaders have the flexibility to utilize and leverage their strengths, resources and partnerships in a way that best serves their communities.

The 4th cohort of the MTW Expansion tests asset building initiatives. Asset building initiatives are activities designed to encourage the growth of savings accounts and/or to build credit for assisted households. PHAs admitted to the MTW Expansion's Asset Building Cohort are required to design and implement one of three asset building program options. MHA selected the

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“Opt-Out Savings Account” option. This asset-building program lasts two years and is offered to a random selection of households. HUD research teams will study outcomes for both the randomly selected households and a control group.

In addition to the required asset building activity, MTW regulatory flexibilities permit MHA to adopt additional waiver activities provided in the MTW Operations Notice, as well as Agency Specific waivers, subject to public process rules and HUD approval. This chapter outlines the waivers obtained by the Madison Housing Authority, the way they will be implemented (PHA policies), including Hardship policies where required by HUD.

MTW STATUTORY PROGRAM GOALS:

There are three statutory objectives that guide the MTW demonstration program:

1. Reduce cost and achieve greater cost effectiveness in federal expenditures
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient
3. Increase housing choices for eligible low-income families

A. INITIAL RENT BURDEN (MTW Activity 1.o.; HCV (Housing Choice Vouchers) Only)

DESCRIPTION: MHA may waive the maximum family share of 40% monthly adjusted gross income at initial occupancy, not to exceed 45% of monthly adjusted gross income.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA’s service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to increase the HCV lease-up success rate and increase family choice at initial occupancy.

GUIDELINES: MHA will use the following factors to assess waiving the Initial Rent Burden up to a maximum of 45% of monthly adjusted gross income:

1. Choice Opportunity – HCV assisted household or applicant family wishing to move to a higher opportunity area
2. Lease in place household – applicant family living in the service area with income to housing cost factor greater than 45%
3. Rent & Bill Pay records – HCV assisted household or applicant family’s financial records support ability to make higher rent payment to achieve goal of choice mobility

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

B. ALTERNATIVE INCOME INCLUSIONS/EXCLUSIONS (MTW Activity 1.w.)

DESCRIPTION: MHA will establish alternative policies to exclude participant asset income in tenant rent calculations

APPLICABILITY: This MTW activity applies to all family types in the tenant-based and project-based HCV Programs within MHA's service area. This MTW activity applies to new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to decrease administrative time and costs to request, obtain, follow up and verify tenant submission of asset documents. This activity will also reduce the administrative burden for participants, lowering barriers to participation.

GUIDELINES: MHA will use the following policies to guide its implementation of Alternative Income Inclusions/Exclusions:

1. Effective 1/1/2025, information related to assets, including owned real property, will be collected, and verified at initial eligibility certification (or initial certification where a family is being rescreened for assistance) for the purpose of determining that family assets comply with HOTMA (Housing Opportunity Through Modernization Act) Section 104
2. Effective 1/1/2025, an applicant household with net family assets (as defined in HOTMA Section 104) exceeding \$100,000 (as adjusted for inflation), or ownership of disqualifying real property, will be denied assistance
3. Effective 1/1/2025, after initial eligibility determination has been conducted (or initial certification where a family is being rescreened for assistance) for voucher holder's initial lease up, annual/triennial reexaminations, transfers of unit and interim recertifications, **MHA will adopt a total non-enforcement policy for the purpose of verifying assets, imputing or adding actual income or interest derived from assets, or including asset income in rent calculations**
4. This asset exclusion policy will apply to:
 - a. All HCV households leased up on or after 1/1/2025
 - b. Households leased up before 1/1/2025 with total assets (as defined by HOTMA) below \$250,000
5. For HCV households leased up before 1/1/2025 with assets (as defined by HOTMA) in excess of \$250,000, MHA will continue to collect and verify information regarding all assets and real property, and imputed or actual income, or interest derived from assets, will be included in the rent calculation

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SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

C. PAYMENT STANDARDS – SMALL AREA FAIR MARKET RENTS (MTW Activity 2.a.)

DESCRIPTION: MHA may adopt and implement payment standards ranging from 80% to 150% of the Small Area Fair Market Rent (SAFMR) schedule for area code 07940.

This MTW activity provides flexibility in establishing the HCV payment standards using 80%-150% of the Small Area Fair Market Rent (SAFMR) schedule for zip code 07940. SAFMRs (Small Area Fair Market Rents) are a set of HUD published data based on private market unassisted rents and census data for a specific zip code. SAFMRs allow for established Payment Standards to reflect the local market more accurately.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA’s service area. This MTW activity applies to new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to expand housing opportunities for HCV participants and applicant families (including access to jobs, good schools, healthcare, a healthy environment, healthy foods, safe neighborhoods, and transportation services); and to increase landlord participation in the HCV program.

GUIDELINES: MHA will use the following policies to guide its decision in this matter:

1. Payment Standards will be reviewed and analyzed at least once annually, and all relevant documentation will be kept on file
2. Adoption of new Payment Standards, where higher, will not exceed anticipated HUD HCV HAP (Housing Assistance Payments) funding (including any anticipated proration of funding) for the average number of households assisted in the previous year
3. Rent Reasonableness tests for all bedroom sizes will be rigorously conducted to assure that HCV Payment Standards do not exceed market value for all bedroom sizes and locations and documentation of same will be kept on file
4. A Board resolution will be required to change the HCV Payment Standards, whether to increase or to decrease the Payment Standards

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity requires a Hardship Policy (see: XYZ “Madison Housing Authority Hardship Policy”).

D. ALTERNATIVE REEXAMINATION SCHEDULE FOR HOUSEHOLDS (MTW Activity 3.b.)

MHA may adopt an Alternative Reexamination Schedule for eligible households that allows it to conduct recertifications every three years instead of annually.

DESCRIPTION: MHA may adopt an Alternative Reexamination Schedule for eligible households that allows it to conduct recertifications every three years instead of annually. This MTW activity allows MHA to implement a triennial recertification schedule for households that meet the following criteria:

1. The head-of-household, co-head and/or spouse is elderly or disabled
2. The only current income in the household is fixed (e.g., social security, pension)
3. There are no minor children in the household

APPLICABILITY: This activity is applicable to all tenant-based and project-based HCV assisted households within MHA's service area. This MTW activity applies to new admissions and currently assisted households. Household eligibility for triennial recertification schedule will be reassessed periodically. If the household no longer meets the required criteria, the household will return to annual recertifications.

GOAL: The goal of the Alternative Reexamination Schedule is to increase cost effectiveness by reducing administrative burdens, including paperwork and staff time spent on the recertification process. This activity may also help reduce some fixed-income households' income-to-housing costs burden.

GUIDELINES: MHA will use the following policies to guide its implementation of Alternative Reexamination Schedules for eligible fixed income households:

1. For eligible fixed income households, the reexamination schedule will be once every three years
2. MHA's Alternative Reexamination Schedule is expected to begin in September 2024 for current eligible households and all newly admitted eligible households
3. The standard rent calculation will be used at recertifications, including eligible elderly/disabled allowance and certified unreimbursed eligible medical expenses
4. Annual household income will be determined in accordance with Chapter 6 "Factors Related to Total Tenant Payment (TTP) Determination" every three years
5. MHA will review HUD EIV (Enterprise Income Verification) and NJ SWICA records at the triennial recertification and will not review or maintain HUD EIV and NJ SWICA records in the two years following the triennial recertification
6. MHA will not review HUD IVT (Income Validation Tool) reports inconsistent with triennial recertification reporting as unreported income requires not change or rent collection for triennial households unless it occurs before their last

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7. If the household income increases prior to the next triennial recertification, the TTP for the household will not increase
8. For HCV households, the tenant rent amount may increase if the gross rent is above the payment standard
9. MHA will not apply applicable cost-of-living adjustments for fixed income households until the date of the next triennial recertification
10. MHA will not update eligible unreimbursed medical expenses for fixed income households until the date of the next triennial recertification
11. Notwithstanding eligibility for triennial recertifications, a fixed income household may request an interim recertification due to changes in income, medical deductions, or household composition
12. When requested, MHA must conduct the interim recertification within a reasonable period
13. There will be no limit to the number of interim recertifications fixed income households are allowed to request
14. When an interim recertification is conducted, only those factors that have changed will be verified and adjusted
15. Fixed income households may claim a hardship and commence the process outlined in the Hardship Policy (and grievance policy, if applicable)
16. Household eligibility for triennial recertification schedule will be reassessed at triennial recertification and when interim recertifications are requested; if the household no longer meets the required criteria, the household will return to annual recertifications

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity requires a Hardship Policy (see: XYZ “Madison Housing Authority Hardship Policy”).

E. VACANCY LOSS PAYMENT (MTW Activity 4.a., HCV Only)

DESCRIPTION: MHA may offer vacancy loss payments to landlords in MHA’s service area that re-lease a unit to a voucher holder after a previous voucher holder has vacated the unit. This MTW activity allows MHA to provide an incentive to a landlord participating in the HCV program to continue renting to an eligible voucher holder when the landlord’s current HCV tenant moves out.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA’s service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to increase the success rate of HCV lease-ups by

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incentivizing landlords to remain in the program when a vacancy occurs, increasing utilization rates and housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of Alternative Reexamination Schedules for participating landlords:

1. MHA will offer a vacancy loss payment to a landlord when an existing HCV household is moving out of the unit and a new voucher holder leases the unit
2. A certified voucher holder seeking a unit of the unit size being vacated must be available to lease the unit
3. The unit must meet HCV NSPIRE (National Standards for Physical Inspection of Real Estate) inspection standards
4. The landlord must be in good standing with MHA
5. The vacancy payment will be offered for one month only
6. The maximum payment to the landlord will be the previous contract rent
7. The landlord must re-lease the unit within three months of the MHA recorded move-out date to a new voucher holder
8. Payment will be made when a HAP contract is executed between the landlord and the MHA on behalf of the new tenant
9. Incentive payments are limited to one incentive payment ONLY per unit lease up
10. A landlord is not eligible for the incentive payments if the new contract is executed for a transfer of units with the same landlord
11. Properties owned or managed by MHA, by non-profit affordable housing entities, or housing entities funded by any local, state or federally funded source are not eligible for this incentive payment

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

F. DAMAGE CLAIMS (MTW Activity 4.b., HCV Only)

DESCRIPTION: MHA may offer limited damage claim to an HCV participating landlord where tenant caused damages exceed the tenant security deposit and the landlord re-leases the unit to a new voucher holder. This MTW activity allows MHA to pay participating landlords for verified damages and repair expenses as an incentive for the landlord to re-lease the unit to a new voucher holder.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA's service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to increase the success rate of HCV lease-ups by

incentivizing landlords to remain in the program when a tenant-caused occurs, increasing utilization rates and housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of HCV Damage Claims for participating landlords:

1. MHA will offer a damage claim payment to a landlord when an existing HCV household moves out of the unit leaving damages that exceed the balance of the tenant security deposit
2. The damage claim payment will not exceed the previous contract rent
3. The damages must be verified by MHA in a special HCV NSPIRE inspection
4. The special HCV NSPIRE inspection must be conducted within 30 days of the MHA recorded move-out date of the HCV household
5. Damages deemed “ordinary wear-and-tear” will not be eligible expenses
6. The landlord must provide receipts for all payments made to correct the tenant-caused damages beyond ordinary wear-and-tear
7. The landlord must provide proof of the tenant security balance applied to the expenses incurred due to tenant-caused damages
8. The unit, once repaired, must be reinspected, and must meet HCV NSPIRE inspection standards
9. The landlord must re-lease the unit within three months of the MHA recorded move-out date to a new voucher holder
10. Payment will be made when a HAP contract is executed between the landlord and the MHA on behalf of the new tenant
11. A landlord is not eligible for the damage claim payment if vacating HCV tenant is transferring to a unit with the same landlord
12. Incentive payments are limited to one incentive payment ONLY per unit lease up
13. Properties owned or managed by MHA, by non-profit affordable housing entities, or housing entities funded by any local, state or federally funded source are not eligible for this incentive payment

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

G. EXISTING LANDLORD INCENTIVE (Activity 4.c., HCV Only)

DESCRIPTION: MHA may offer a one-time incentive payment to a participating HCV landlord who executes a new HAP contract for a tenant-based HCV participant.

This MTW activity allows MHA to incentivize participating landlords to remain with the HCV program when an HCV tenant vacates, or to offer a lease to a new HCV household in another eligible unit owned by the landlord.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA's service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to increase the success rate of HCV lease-ups by incentivizing landlords to remain in the program when an HCV tenant vacates.

GUIDELINES: MHA will use the following policies to guide its implementation of HCV Existing Landlord Incentives for participating landlords:

1. An Existing Landlord is defined as a landlord who currently or previously has executed a HAP contract with MHA
2. MHA will offer a one-time payment of \$500 to a landlord when an existing HCV household moves out of the unit and a new voucher holder is offered a lease for the unit
3. MHA will offer a one-time payment of \$500 to an existing landlord when the landlord offers a lease to a voucher holder in a new unit or a vacated unit that was not previously leased to an HCV family. A certified voucher holder seeking a unit of the unit size being vacated must be available to lease the unit
4. The unit must meet HCV NSPIRE inspection standards
5. The landlord must be in good standing with MHA
6. Payment will be made when a HAP contract is executed between the landlord and the MHA on behalf of the new tenant
7. Incentive payments are limited to one incentive payment ONLY per unit lease up
8. A landlord is not eligible for the incentive payments if the new contract is executed for a transfer of units with the same landlord
9. Properties owned or managed by MHA, by non-profit affordable housing entities, or housing entities funded by any local, state or federally funded source are not eligible for this incentive payment

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

H. NEW LANDLORD INCENTIVE (Activity 4.c., HCV Only)

DESCRIPTION: MHA may offer a one-time incentive payment to a new HCV landlord who executes a HAP contract for a tenant-based HCV participant. This MTW activity allows MHA to incentivize new landlords to participate in the HCV program.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA's service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to increase the success rate of HCV lease-ups by incentivizing new landlords to participate with the HCV program, increasing utilization rates and housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of HCV New Landlord Incentives for participating landlords:

1. A New Landlord is defined as a landlord who has not previously executed a HAP contract with MHA and has no prior standing or relationship with MHA
2. MHA will offer a one-time payment of \$1000 to a new landlord when a voucher holder is offered a lease for an eligible unit
3. A certified voucher holder seeking a unit of the unit size must be available to lease the unit
4. The landlord must be new to the HCV program and not have executed a HAP contract with MHA at any time in the past
5. The unit must meet HCV NSPIRE inspection standards
6. Payment will be made when a HAP contract is executed between the landlord and the MHA on behalf of the new HCV household
7. Incentive payments are limited to one incentive payment ONLY per unit lease up
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SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

I. RENT AFFORDABILITY INCENTIVE (Activity 4.c., HCV Only)

DESCRIPTION: MHA may offer a one-time Rent Affordability Incentive payment to a landlord who agrees to reduce the contract rent to be affordable to an HCV household. This MTW activity allows MHA to compensate landlords who reduce their rents to assist HCV families who could otherwise not lease the unit due to the maximum rent burden at lease up.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based HCV Program within MHA's service area.

GOAL: The goal of this MTW activity is to increase the success rate of HCV lease-ups by incentivizing landlords to participate with the HCV program, increasing the supply of affordable housing, maintaining quality landlords and units, and increasing housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of HCV Rent Affordability Incentive for participating landlords:

1. MHA will offer a one-time rent affordability incentive payment to landlords who reduce contract rent amounts for a unit to be affordable to HCV voucher holder

2. “Affordable” is defined as an initial gross rent burden of no more than 45% of HCV holder monthly adjusted gross income
3. The one-time rent affordability payment would equal the amount that the proposed monthly rent is reduced to make it affordable, multiplied by twelve (12)
4. Landlord must provide documentation deemed acceptable to MHA regarding the initial proposed rent amount prior to rent reduction (e.g., copy of executed lease of previous tenant, marketing materials listing rent amount, realtor rental listing documentation)
5. The unit must meet HCV NSPIRE inspection standards
6. The landlord must be in good standing with MHA
7. Payment will be made when a HAP contract is executed between the landlord and the MHA on behalf of the HCV holder
8. This incentive does not apply to a new contract executed due to lease renewal or change in unit of an existing HCV household with the same landlord
9. Incentive payments are limited to one incentive payment ONLY per unit lease up
10. A landlord is not eligible for the one-time incentive payment if the new contract is executed for a transfer of units with the same landlord
11. Properties owned or managed by MHA, by non-profit affordable housing entities, or housing entities funded by any local, state or federally funded source are not eligible for this incentive payment

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

J. PREQUALIFYING UNIT INSPECTIONS (MTW Activity C.5.a., HCV Only)

DESCRIPTION: MHA may allow prequalifying unit inspections for prospective units in the HCV program. This MTW activity allows MHA to streamline inspection processes, avoid delays in unit lease up and incentivize landlords to participate in the HCV program.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based and project-based HCV Programs within MHA’s service area. This MTW activity applies to new admissions.

GOAL: The goal of this MTW activity is to accelerate the lease up process in the HCV program, minimize property owner’s loss during the vacancy period, provide landlords with sufficient time to address needed repairs and align inspection processes to reflect practices in the unassisted rental market. This MTW activity will incentivize landlord participation in the HCV program, increasing the supply of affordable housing, maintaining quality landlords and units, and increasing housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of Prequalifying Unit Inspections for prospective units in the HCV program:

1. MHA will conduct an HCV NSPIRE inspection at the request of a landlord when a vacancy is anticipated, including inspecting an occupied unit
2. The unit must meet HCV NSPIRE inspection standards
3. The inspection will be valid for 90 days and the new HAP contract must be executed and effective within the 90-day period
4. HCV households moving into prequalified inspection units may request an interim inspection after move-in
5. MHA will conduct requested interim inspections in a timely manner

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

K. THIRD-PARTY REQUIREMENT (MTW Activity 5.c.)

DESCRIPTION: MHA will perform HCV NSPIRE inspections on project-based units it owns, manages and/or controls.

APPLICABILITY: This MTW activity applies to all family types within HCV project-based units owned, managed, and/or controlled by MHA. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to streamline administrative processes and reduce agency costs.

GUIDELINES: MHA will use the following policies to guide its implementation of Third-Party Requirement for project-based HCV units it owns, manages and/or controls:

1. MHA will conduct an HCV NSPIRE inspection at least once annually
2. The HCV NSPIRE inspections of units owned, managed, and/or controlled by MHA will be conducted by a certified, trained HCV NSPIRE inspector
3. An MHA supervisor will re-inspect a sample of units (10% annually) for quality control and maintain records of QC (Quality Check) reinspections
4. Households residing in project-based HCV units owned, managed, and/or controlled by MHA may request an interim unit inspection in writing
5. MHA will conduct requested interim inspections in a timely manner
6. At HUD's request, MHA will obtain the services of a third-party entity to determine if PHA owned, operated and/or controlled units pass HCV NSPIRE inspection standards

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

L. ALTERNATIVE INSPECTION SCHEDULE (MTW Activity C.5.d.)

DESCRIPTION: MHA may adopt an alternative local HCV NSPIRE inspection schedule for all, or a portion of its HCV assisted units. This MTW activity allows MHA to conduct inspections on qualifying units less frequently than once annually, but no less than once every three years.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based and project-based HCV Programs within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to incentivize landlord participation in the HCV program, increasing the supply of affordable housing, maintaining quality landlords and units, and increasing housing choice.

GUIDELINES: MHA will use the following policies to guide its implementation of Alternative Inspection Schedule for all or a portion of its HCV assisted units:

1. MHA will conduct an initial HCV NSPIRE unit inspection (or prequalifying unit inspection) for all new HCV lease ups within its service area
2. HCV INSPIRE unit inspections will be conducted by a certified HCV INSPIRE inspector
3. All units must meet HCV NSPIRE inspection standards prior to executing a HAP contract with the landlord
4. After a unit passes the initial HCV INSPIRE inspection (or prequalifying unit inspection), MHA will conduct reinspections of the unit at least once every three years
5. HCV households in units that qualify for Alternative Inspection Schedule may request an interim inspection in writing (including by email)
6. Landlords may request an interim inspection in writing, by phone, or by email
7. A third-party entity with a verified concern (e.g., a neighbor, a family member, health department) may request an interim inspection in writing (including by email)
8. MHA will conduct requested interim inspections in a timely manner

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

M. OPT-OUT SAVINGS ACCOUNT (MTW Activity COHORT 5.1.b)

DESCRIPTION: MHA will use MTW funding flexibility to create Opt-Out Savings Accounts for a set of randomly selected households in accordance with HUD requirements

for MTW Asset Building 4th Cohort Expansion Agencies. MHA's Opt-Out Savings Program is called "Save For Change."

APPLICABILITY: This MTW activity applies to all family types in the tenant-based and project-based HCV Programs within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to study the impact of providing cash deposits and voluntary financial literacy education on the behavior of households who elect to participate in the program. Desired outcomes for households include improved financial position (including increased savings and improved credit scores), increased on-time rent payment, increased participation in MHA's FSS (Family Self Sufficiency) Program, increased understanding, comfort and participation in private sector financial systems, and increased housing choice through asset building.

GUIDELINES: MHA will use the following policies to guide its implementation of the Save for Change program:

1. 60 households will be randomly selected to participate in the Save for Change program and 60 households will be randomly selected as a study control group
2. All assisted households, including elderly and disabled, will be eligible and included in the random selection process
3. Random selection of both active and control groups will be administered by HUD research consultants, Abt Associates
4. The program duration will be 24 months
5. No contract of participation will be required
6. Randomly selected participants will have the ability to "opt out" of the Save for Change program
7. To participate, selected households will be required to open a designated "SAVE FOR CHANGE" savings account with MHA banking partner
8. MHA will provide written notification to the randomly selected households with detailed program information, the deadline for signing up and information about MHA facilitated in-person enrollment opportunities
9. Lakeland Bank will partner with MHA to offer the Save for Change savings account program and to provide quarterly optional financial and banking education workshops
10. Participating Save for Change savings account holders will also be provided optional one-on-one financial counseling through NORWESCAP's Financial Empowerment Center
11. The Save for Change savings account will be an interest-bearing account with ATM card; the account will have no service charges, no minimum balance, and no other fee or penalty charges

12. MHA will make an initial deposit of \$120 on or around 4/1/2024 to all randomly selected participants who opened Save for Change savings accounts; each month following for 23 consecutive months, MHA will deposit \$50 to all randomly selected participants who opened Save for Change savings accounts for a total of \$1270 to each participant over the course of the 2-year program period
13. Save for Change savings account holders will have immediate access to the funds in the account and can add or withdraw from the account as they wish
14. Save for Change savings account holders whose HCV participation is terminated will no longer be eligible to receive monthly deposits into their Save for Change account
15. Save for Change account holders who have been terminated from HCV program may maintain or close the Save for Change savings account at their discretion
16. When the Save for Change Opt-Out Savings program is completed following the final deposit in March 2026, participating Save for Change savings account holders may maintain or close the Save for Change savings account at their discretion
17. MHA will enter into a Data Use Agreement with HUD research consultants at Abt Associates to facilitate the required research component of the MTW Asset Building cohort
18. MHA staff will cooperate with Abt Associates to provide data required to conduct HUD's research analysis
19. Save for Change program participants and control group members may be contacted by Abt Associates, and they may elect or decline to be interviewed by the research team

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity requires a Hardship Policy (see: XYZ "Madison Housing Authority Hardship Policy").

N. INCREASE PBV (Project Based Voucher) PROGRAM CAP (MTW Activity C 9.a.)

DESCRIPTION: MHA may increase the number of HCV units it project-bases beyond the 30% cap, but not to exceed 50%.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to increase family self-sufficiency by creating more project-based vouchers that offer fixed housing costs at 30% affordability threshold. This will allow families to budget, save and plan toward future goals.

GUIDELINES: Except when implementing an approved MTW waiver activity, MHA will follow HUD PBV guidance and regulations at 24 CFR Part 983, including any updates to conform with HOTMA, EGA and FSHO changes to the PBV program.

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

O. INCREASE PBV PROJECT CAP (MTW Activity C 9.B.)

DESCRIPTION: MHA may raise the project-based voucher cap within a project to 100.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to create family stability in an environment with support to encourage family self-sufficiency.

GUIDELINES: Except when implementing an approved MTW waiver activity, MHA will follow HUD PBV guidance and regulations at 24 CFR Part 983, including any updates to conform with HOTMA, EGA and FSHO changes to the PBV program.

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

P. ELIMINATION OF PBV SELECTION PROCESS FOR PHA-OWNED PROJECTS WITHOUT IMPROVEMENT, DEVELOPMENT OR REPLACEMENT (MTW Activity C 9.c.)

DESCRIPTION: MHA will eliminate the selection process in the award of PBV 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.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to streamline administrative processes in the selection process for PBV.

GUIDELINES: Except when implementing an approved MTW waiver activity, MHA will follow HUD PBV guidance and regulations at 24 CFR Part 983, including any updates to conform with HOTMA, EGA and FSHO changes to the PBV program.

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

Q. ALTERNATIVE PBV SELECTION PROCESS (MTW Activity C 9.d.)

DESCRIPTION: MHA may establish an alternative competitive process in the award of PBVs (Project Based Vouchers) that are owned by non-profit, for-profit housing entities, or by agencies that are not public housing.

APPLICABILITY: This MTW activity applies to all family types in the tenant-based and project-based HCV Programs within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to increase cost effectiveness by eliminating undue administrative burdens and, consequently, increase housing choice.

GUIDELINES: Except when implementing an approved MTW waiver activity, MHA will follow HUD PBV guidance and regulations at 24 CFR Part 983, including any updates to conform with HOTMA, EGA and FSHO changes to the PBV program.

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

R. INCREASE PBV HAP CONTRACT LENGTH (MTW Activity C 9.f.)

DESCRIPTION: MHA may increase the length of the PBV HAP Contract to up to 50 years.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to increase family self-sufficiency by creating more streamlined and cost-effective PBV HAP contracts, providing greater longevity and affordability in voucher-assisted households income to housing cost burden.

GUIDELINES: Except when implementing an approved MTW waiver activity, MHA will follow HUD PBV guidance and regulations at 24 CFR Part 983, including any updates to conform with HOTMA, EGA and FSHO changes to the PBV program.

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

S. ACQUISITION WITHOUT PRIOR HUD APPROVAL (MTW Activity 15)

DESCRIPTION: MHA proposes using this waiver flexibility to allow it to acquire housing sites without prior HUD approval and certify that HUD's site selection requirements have been met.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to increase the supply of high-quality affordable housing available to residents in MHA's service area by implementing a more expeditious process that allows MHA to competitively negotiate prices without having to wait for unreasonable periods of time to complete the sale.

GUIDELINES: MHA will use the following policies to guide its implementation of Acquisition without prior HUD approval:

1. MHA will comply with and document that the project adheres to local zoning as described in 24 CFR 905.608(e)
2. MHA will commission an independent appraisal of the site as described in 24 CFR 906.608(f)
3. Prior to acquisition, MHA will conduct an environmental assessment as described in 24 CFR 906.608(h)
4. MHA will provide all required documents to HUD within 30 days of any property acquisition

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

T. SERVICE PROVISIONS (MTW Activity 17.b.)

DESCRIPTION: MHA proposes developing a Vehicle Repair Grant Program and a Credit Counseling & Debt Consolidation Program.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to develop service programs that increase self-sufficiency and housing choice for participants, remove barriers to training, education and employment and decrease debt.

GUIDELINES: MHA will use the following policies to guide its implementation of a

VEHICLE REPAIR GRANT PROGRAM:

1. The maximum grant amount will be \$500
2. All requests must be made on a Vehicle Repair Grant Request form provided by MHA
3. The Vehicle Repair Grant Request form must be completed in its entirety and signed by the head-of-household or co-head
4. Proof of the need for a repair must be included with the Vehicle Repair Grant Request form
5. Vehicle repair grants will be limited to repairs that permit a family member to retain or gain employment or training, or for transportation to a post-secondary school
6. Payments will be made directly to qualified mechanics upon receipt of an invoice
7. Vehicle repair grants will be limited to one grant per household

GUIDELINES: MHA will use the following policies to guide its implementation of a CREDIT COUNSELING & DEBT CONSOLIDATION GRANT PROGRAM:

1. The maximum grant amount will be \$100
2. All requests must be made on a Credit Counseling & Debt Consolidation Grant Request form provided by MHA
3. The Credit Counseling & Debt Consolidation Grant Request form must be completed in its entirety and signed by the head-of-household or co-head
4. MHA will verify the need for credit counseling and/or debt consolidation
5. There will be a limit of one grant per household per year
6. Payments will be made directly to verified non-profit credit counseling & debt consolidation service providers

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.

U. LOCAL NON-TRADITIONAL ACTIVITIES – HOUSING DEVELOPMENT PROGRAMS (MTW Activity C. 17.c.)

DESCRIPTION: MHA may utilize MTW funding flexibility to acquire, renovate and/or build affordable housing that meets HUD requirements for MTW local non-traditional housing as defined in HUD PIH (Public and Indian Housing) Notice 2011-45 (or successor notices).

MHA may utilize this activity to provide gap financing (grants or loans) to affordable housing developments including, but not limited to: PBV developments, Low Income Housing Tax Credit developments and/or other eligible development activities, subject to approval by the

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MHA's Board of Commissioners. MHA may also use MTW funds as gap financing to support local nonprofits in the acquisition, rehabilitation, or development of properties. MTW funds would be provided as a loan or recoverable grant. MHA may also use MTW funds for gap financing and to support its other owned or substantially controlled developments to leverage third-party debt in the form of tax-exempt bond financing, LIHTC (Low Income Housing Tax Credit) equity, and other local sources. MHA may expend MTW funds including Housing Assistance Payments and/or HCV Administrative Fee reserves on such activities if it shall not expend more than 10% of its Housing Assistance Payments budget on local, non-traditional activities including this housing development activity.

APPLICABILITY: This MTW activity applies to all family types in the project-based HCV Program within MHA's service area. This MTW activity applies to both new admissions and currently assisted households.

GOAL: The goal of this MTW activity is to increase housing choices for low-income households and to leverage funds for affordable housing development.

GUIDELINES: MHA will use the following policies to guide its implementation of Local Non-Traditional Activities – Housing Development Programs:

1. MHA will comply with HUD PIH Notice 2011-45 (or successor notices)
2. MHA will ensure that families meet the HUD definition of "low-income"
3. MHA will comply with Section 30 of the U.S. Housing Act of 1937
4. MHA will competitively bid any MTW funding awarded through this activity to a third-party provider

SAFE HARBOR WAIVER: This MTW activity does not require a Safe Harbor Waiver.

HARDSHIP POLICY: This MTW activity does not require a Hardship Policy.