Addendum to the HCVP Administrative Plan

MOVING TO WORK (MTW)

AMHA has submitted all waivers in this addendum to HUD for approval. Upon approval, all waivers will be effective July 1, 2022 unless otherwise stated by HUD.

This addendum describes all MTW waivers and applicable policies. Except as addressed in this addendum, all other policies in this plan continue to apply.

INTRODUCTION

AMHA was selected to join the MTW Program under Cohort 2, Stepped and Tiered Rent. AMHA’s participation in the MTW Program began September 1, 2021. MTW allows PHAs to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by permitting PHAs to use assistance received under Sections 8 and 9 of the United States Housing Act of 1937, as amended, 42 U.S.C. 1437, et seq., more flexibly and by allowing certain exemptions from existing Public Housing (PH) and Housing Choice Voucher program (HCVP) rules, as approved by HUD.

The MTW Demonstration Program was established under the 1996 MTW Statute to provide statutory and regulatory flexibility to participating PHAs under three statutory objectives. Those three statutory objectives are to:

- Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working; is 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; and
- Increase housing choices for eligible low-income families.

Also established under the 1996 MTW Statute are five statutory requirements that PHAs participating in the MTW Demonstration Program must meet throughout the term of their MTW participation. These are to:

- Ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
- Establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;
- Continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
- Maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
- Ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

AMHA envisions an MTW Program that meaningfully increases local affordable housing choices, reduces administrative burdens and ultimately enhances the quality of housing and services, empowering all to reach their full potential.

- Cost effectiveness: We envision rent reform as a way to achieve greater efficiency and remove administrative barriers, thereby producing cost savings to implement innovative quality of life and mobility programs.
- Self-sufficiency: We envision programs and partnerships that increase access to health, education and employment opportunities so our participants can position themselves out of poverty.
- **Housing choice**: We envision a community where our investments in Summit County preserve and improve affordable housing units, increase housing opportunities and choices for our participants, and stabilize families and neighborhoods.

A. **SUMMARY OF MTW WAIVERS**

<table>
<thead>
<tr>
<th>AMHA Summary List of Waivers for 7/1/22 Supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiver</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Tiered Rent Waivers (apply only to tiered rent group in the Rent Reform Demonstration)</td>
</tr>
<tr>
<td>Tiered rent</td>
</tr>
<tr>
<td>Elimination of deductions</td>
</tr>
<tr>
<td>Alternative reexamination schedule for households (triennial)</td>
</tr>
<tr>
<td>Streamlining Waivers (apply to all households)</td>
</tr>
<tr>
<td>Self-certification of assets up to $50,000</td>
</tr>
<tr>
<td>Vacancy loss</td>
</tr>
<tr>
<td>Pre-qualifying unit inspections</td>
</tr>
<tr>
<td>Remove third party requirement for inspections for project-based voucher units AMHA owns, manages, or controls</td>
</tr>
<tr>
<td>Remove third party requirement for rent reasonableness tests for project-based voucher units AMHA owns, manages, or controls</td>
</tr>
<tr>
<td>Local EIV method</td>
</tr>
<tr>
<td>Local verification method</td>
</tr>
<tr>
<td>Allow HCVP participants to remain on the program for 12 months with 0 Housing Assistance Payments (HAP)</td>
</tr>
</tbody>
</table>
B. **TIERED RENT WAIVERS (MTW Operations Notice; PIH Notice 2020-21)**

AMHA was selected to participate in Cohort 2, Stepped and Tiered Rent, of the MTW Expansion. This cohort will evaluate alternative rent policies designed to increase participant self-sufficiency and reduce PHA administrative burdens. Eligible households will include residents/participants in both the public housing and HCV programs, including existing, currently assisted households and new households admitted during the alternative rent enrollment period (expected to be 8/1/22-7/31/23). The following household types will be excluded from the demonstration:

- Elderly households (head, co-head, or spouse aged 56 or older at study enrollment)
- Disabled households, including households who are not yet identified as disabled, but have a pending SSI/SSDI application or have been approved to receive SSI/SSDI but have not received their first payment
- Current FSS participants
- Special purpose voucher holders and homeownership voucher holders
- Housing Choice Voucher 0 HAP households
- Public Housing flat rent households
- Mixed eligibility families
- Households living in a Jobs Plus Development
- Households receiving an EID at study enrollment
- Port-outs

All eligible households will be randomly assigned to either the standard rent group, to which the existing rent policy will apply, or to the tiered rent group, to which the alternative rent policy will apply. During the enrollment period, any new admissions who qualify as eligible households will undergo random assignment and participate in the demonstration. The demonstration is expected to last six years after the enrollment period is concluded. AMHA must continue to administer the alternative rent policy throughout that six year period. Households randomly assigned to the new rent rules or existing rent rules must remain in that group for six years (unless they leave assistance, port out to another jurisdiction, or are exempted from the study for other reasons such as a disability).

**Tiered Rent Households:** Total Tenant Payment (TTP) is determined by which tier the household’s retrospective annual gross income (current households) and current gross income (new admissions) falls into. Income recertifications occur triennially. Households cannot have interim recertifications, but may qualify for temporary hardships to reduce their TTP.

**Standard Rent Households:** TTP is determined by the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income;
- 10 percent of the family's monthly income;
- If the family is receiving payments for welfare assistance from a public agency and a part of those payments is specifically designated to meet the family's housing costs, the portion of those payments which is so designated; or
- The minimum rent.

**Retrospective (prior year) Gross Income:** The gross income (total income without any deductions or allowances) received by the household during the prior 12 months ending 120 days before the recertification effective date. The period always begins on the first day of the month and ends on the last day of the month. The retrospective period is fixed; it does not change or update after it is communicated.
to the household. All income received during this time period will be counted, regardless of length of time or amount received, with the exception of HUD allowable exclusions and household members who turned 18 during the retrospective period. Earned income received by a household member turning 18 during the retrospective period will not be included.

Current Gross Income: The gross income (total income without any deductions or allowances) the family expects to receive in the next 12 months based on a review of their current income. Current generally refers to the period approximately 180 days prior, or more recent, to the household’s effective date.

Tiered Rent

Waives certain provisions of section 8(o)(2)(A)-(C) of the 1937 Housing Act and 24 CFR 5.628.

All eligible households that are randomly assigned to tiered rent will be grouped by gross income into tiers. Within each tier, the rent/household contribution is fixed. Any income increase within a tier does not affect the household’s rent/contribution. Tiers are in $2,500 increments. Within each tier, the rent is set to be affordable at the midpoint of the tier. Households in the lowest tier (with gross income less than or equal to $2,499) will pay a minimum rent of $50. For all other tiers, the rent is equal to the midpoint of the tier divided by 12 times 28%. See Tiered Rent Table below.

When a current household begins participating in the tiered rent, they will be assigned to a tier based on their total annual gross income in the prior year (retrospective income). Verifications will reflect the retrospective income time period. For new admissions households, they will be assigned to a tier based on their current gross income. All households in a tier have the same rent with the exception of households with a gross rent above their payment standard or 0 HAP households. If a household rents a unit with gross rent above the payment standard, they are responsible for that incremental amount above the payment standard. This incremental amount will be added to their base tiered rent. Households with 0 HAP payments will not pay more than the gross rent of their unit.

Each household’s tiered rent will apply for three years. During that three year period, their rent will not increase. After three years, each household will have a triennial income reexamination and be placed in the tier that matches their retrospective annual gross income. Between triennial reexaminations, a household’s tiered rent will change if it is approved for a hardship. See the Hardship Policy section in this addendum.
<table>
<thead>
<tr>
<th>Tier</th>
<th>Income Minimum</th>
<th>Income Maximum</th>
<th>Tiered Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0</td>
<td>$2,499</td>
<td>$50</td>
</tr>
<tr>
<td>2</td>
<td>$2,500</td>
<td>$4,999</td>
<td>$87</td>
</tr>
<tr>
<td>3</td>
<td>$5,000</td>
<td>$7,499</td>
<td>$146</td>
</tr>
<tr>
<td>4</td>
<td>$7,500</td>
<td>$9,999</td>
<td>$204</td>
</tr>
<tr>
<td>5</td>
<td>$10,000</td>
<td>$12,499</td>
<td>$262</td>
</tr>
<tr>
<td>6</td>
<td>$12,500</td>
<td>$14,999</td>
<td>$321</td>
</tr>
<tr>
<td>7</td>
<td>$15,000</td>
<td>$17,499</td>
<td>$379</td>
</tr>
<tr>
<td>8</td>
<td>$17,500</td>
<td>$19,999</td>
<td>$437</td>
</tr>
<tr>
<td>9</td>
<td>$20,000</td>
<td>$22,499</td>
<td>$496</td>
</tr>
<tr>
<td>10</td>
<td>$22,500</td>
<td>$24,999</td>
<td>$554</td>
</tr>
<tr>
<td>11</td>
<td>$25,000</td>
<td>$27,499</td>
<td>$612</td>
</tr>
<tr>
<td>12</td>
<td>$27,500</td>
<td>$29,999</td>
<td>$671</td>
</tr>
<tr>
<td>13</td>
<td>$30,000</td>
<td>$32,499</td>
<td>$729</td>
</tr>
<tr>
<td>14</td>
<td>$32,500</td>
<td>$34,999</td>
<td>$787</td>
</tr>
<tr>
<td>15</td>
<td>$35,000</td>
<td>$37,499</td>
<td>$846</td>
</tr>
<tr>
<td>16</td>
<td>$37,500</td>
<td>$39,999</td>
<td>$904</td>
</tr>
<tr>
<td>17</td>
<td>$40,000</td>
<td>$42,499</td>
<td>$962</td>
</tr>
<tr>
<td>18</td>
<td>$42,500</td>
<td>$44,999</td>
<td>$1,021</td>
</tr>
<tr>
<td>19</td>
<td>$45,000</td>
<td>$47,499</td>
<td>$1,079</td>
</tr>
<tr>
<td>20</td>
<td>$47,500</td>
<td>$49,999</td>
<td>$1,137</td>
</tr>
<tr>
<td>21</td>
<td>$50,000</td>
<td>$52,499</td>
<td>$1,196</td>
</tr>
<tr>
<td>22</td>
<td>$52,500</td>
<td>$54,999</td>
<td>$1,254</td>
</tr>
<tr>
<td>23</td>
<td>$55,000</td>
<td>$57,499</td>
<td>$1,312</td>
</tr>
<tr>
<td>24</td>
<td>$57,500</td>
<td>$59,999</td>
<td>$1,371</td>
</tr>
<tr>
<td>25</td>
<td>$60,000</td>
<td>$62,499</td>
<td>$1,429</td>
</tr>
<tr>
<td>26</td>
<td>$62,500</td>
<td>$64,999</td>
<td>$1,487</td>
</tr>
<tr>
<td>27</td>
<td>$65,000</td>
<td>$67,499</td>
<td>$1,546</td>
</tr>
<tr>
<td>28</td>
<td>$67,500</td>
<td>$69,999</td>
<td>$1,604</td>
</tr>
<tr>
<td>29</td>
<td>$70,000</td>
<td>$72,499</td>
<td>$1,662</td>
</tr>
<tr>
<td>30</td>
<td>$72,500</td>
<td>$74,999</td>
<td>$1,721</td>
</tr>
<tr>
<td>31</td>
<td>$75,000</td>
<td>$77,499</td>
<td>$1,779</td>
</tr>
<tr>
<td>32</td>
<td>$77,500</td>
<td>$79,999</td>
<td>$1,837</td>
</tr>
<tr>
<td>33</td>
<td>$80,000</td>
<td>$82,499</td>
<td>$1,896</td>
</tr>
<tr>
<td>34</td>
<td>$82,500</td>
<td>$84,999</td>
<td>$1,954</td>
</tr>
</tbody>
</table>
Elimination of Deductions

Waives certain provisions of sections 3(a)(1), 3(b)(4)-(5) and 8(o)(2)(A)-(C) of the 1937 Housing Act and 24 CFR 5.611 and 982.516.

For households in the tiered rent group, AMHA will not apply the allowances or deductions typically used to calculate “adjusted income.” Instead, income will be defined as total annual income (retrospective gross income for current households and current gross income for new admissions). The household’s contribution will be based on 28% of gross income. Households may qualify for a hardship based on common deductions. See the Hardship Policy section in this addendum.

Alternative Reexamination Schedule for Households

Waives certain provisions of section 8(o)(5) of the 1937 Housing Act and 24 CFR 982.516(a)(1) and 982.516(c)(2).

For households in the tiered rent group, income reexaminations will occur every three years. If a household’s income increases into a higher tier, its rent will not change until the triennial income reexamination. After three years, each household will have a triennial income reexamination and be placed in the tier that matches their retrospective annual gross income (gross income in the prior year). In between triennial reexaminations, the household’s rent will not change unless it receives a hardship (see Hardship Policy section) or if a household moves. If a household moves to a new unit, its tier will remain the same, but its rent will be recalculated based on the gross rent and payment standard corresponding to the new unit. Participants may supply updated income if needed during the moving process. At the time of a rent increase for a household on the triennial reexamination schedule, the household’s payment standard and utility allowance will be updated.

C. STREAMLINING WAIVERS

Outside of the Tiered Rent Reform Demonstration, AMHA is permitted to utilize additional MTW waivers. Waivers in this section apply to all HCVP households, including Special Purpose Vouchers, unless otherwise noted. AMHA must receive additional approval to apply these waivers to Veterans Affairs Supportive Housing (VASH) vouchers and Emergency Housing Vouchers (EHV). AMHA will make the request upon approval of its MTW Supplement.

Self-Certification of Assets up to $50,000

Waives certain provisions of section 8(o)(5) of the 1937 Housing Act and 24 CFR 982.516(a)(3).

At the time of application and reexamination, AMHA will require the household to declare and sign the value of their net assets (self-certification). If the net assets are less than $50,000.00, AMHA will not verify the assets, and will only count the net assets and related income that the household has declared. If the assets exceed $50,000.00, AMHA will verify the assets declared by the household to confirm the value and report the net assets and related income on the 50058.
Vacancy Loss Payments
Waives certain provisions of section 8(o)(9) of the 1937 Housing Act and 24 CFR 982.311 and 982.352(c).

Owners may request vacancy loss payments for units located in AMHA determined zip codes of opportunity. To qualify for a vacancy loss payment, the owner must re-lease the unit to a voucher holder within 3 months after a previous voucher holder has vacated the unit and complete the Vacancy Loss Request Form. The move-out date of the previous tenant will be based on AMHA records. The payment amount will be no more than one month’s contract rent of the previous tenant (based on the number of days the unit is vacant) and will be paid when the new HAP contract is executed between the owner and AMHA. The request must be made within 60 days of the new contract date.

Pre-Qualifying Unit Inspections
Waives certain provisions of section 8(o)(8) of the 1937 Housing Act and 24 CFR 983.103 and 24 CFR 982.405.

Owners may request pre-qualifying inspections for units in AMHA determined zip codes of opportunity. To be used in lieu of a move-in inspection, the pre-inspection must have been conducted within 90 days of the AMHA approved move in date. Participants will be able to request a special/complaint inspection after move in as needed. Pre-qualifying unit inspections will follow the standards in Chapter 10 of this plan.

Remove Third Party Requirement for Inspections for PBV Units AMHA Owns, Manages, or Controls
Waives certain provisions of section 8(o)(11) of the 1937 Housing Act and 24 CFR 982.352(b)(iv) and 983.103(f).

AMHA will no longer require a third party to conduct inspections at PBV properties in which AMHA has an interest. AMHA will follow the inspection process utilizing the current HUD inspection method and quality control process that are used for all other properties. Households will be able to request a special/complaint inspection or review by a supervisor as needed.

Remove Third Party Requirement for Rent Reasonableness Tests for Project-Based Voucher (PBV) Units AMHA Owns, Manages, or Controls
Waives certain provisions of 24 CFR 982.352(b) and 983.303.

AMHA will no longer require a third party to conduct rent reasonableness tests at PBV properties in which AMHA has an interest. AMHA will follow the rent reasonableness and quality control processes used for all other properties.
Local Verification Method


AMHA will verify information through the following verification hierarchy:

1. Up-Front Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) (when it is available to AMHA)
2. Upfront Income Verification (UIV) using non-HUD system (when it is available to AMHA)
3. Written Third Party Verification OR Written Third Party Verification Form OR Oral Third Party Verification
4. Tenant Declaration

Clarification of EIV information done by self-certification is considered as Level 1, UIV using HUD’s EIV system. For example, if a quarter on the EIV is only partially within the retrospective time period for a tiered rent household, a statement that the income over that quarter was approximately the same would be considered EIV clarification.

For all interims, Level 1 (EIV and IVT reports) will not be required, as it will not provide “current” income information for hardship requests or other interim changes, which households will have requested due to recent changes in circumstances. Level 1 will remain required at the triennial or annual recertification, depending upon the household’s recertification schedule, to continue monitoring the proper reporting of income.

The PHA will allow 2 weeks (14 calendar days) for return of third-party verification (written or oral) before going to the next method. The PHA will document the file as to why third party verification was not used.

For applicants, verifications may not be more than 180 days old at the time of voucher issuance. For participants, verifications for reexaminations may not be more than 180 days from the effective date. In the case of fixed income verifications for both applicants and participants (e.g., Social Security award letters, fixed pensions, etc.), verifications are valid for the full calendar year in which they are effective.

The definition of a “substantial difference” in income or the “income discrepancy threshold” will be differences equal to or greater than $5,000.

This waiver will not be applied to EHV s at the time of admission. See EHV Temporary Policy Supplement for self-certification at admission information.

Allow Participants to Remain on the HCV Program for 12 Months with 0 Housing Assistance Payments (HAP)

Waives certain provisions of 24 CFR 982.455(a).

The family may remain in the subsidized unit at $0 assistance for up to 365 days after the last HAP payment. If the family is still in the unit after 365 days, the assistance will be terminated. If, within the 365 day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, the PHA will resume assistance payments for the family. In
order for a family to move to another unit during the 365 days, the rent for the new unit would have to be
high enough to necessitate a housing assistance payment.

The PHA must terminate assistance for participants, including homeownership assistance, if 365 days
have elapsed since the PHA’s last housing assistance payment was made, except for a reasonable
accommodation or if approved by the Deputy Director or their designee.

The PHA will automatically terminate the HAP contract with the owner if 365 days have passed since the
last housing assistance payment to the owner.

D.  HARDSHIP POLICY

If a requirement or provision of an MTW activity may constitute a financial or other hardship for AMHA
households, AMHA will create a hardship policy. AMHA will review its hardship policy(s) with
households during its intake and recertification processes. The agency will also consider if a household
qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an
MTW activity. When a household requests a hardship exemption from a required MTW activity, AMHA
will suspend the activity for the household, beginning the next month after the request, until the MTW
agency has determined if the request is warranted. Hardship information will be retained by AMHA for
the duration of AMHA’s participation in the MTW demonstration program and available for public
review and inspection.

Hardship Policy: Tiered Rent, Elimination of Deductions, and Triennial Recertifications

Households must apply for all hardship types with the exception of automatic hardships given at the time
of the triennial recertification. Hardships may last less than the timeframe listed below if a hardship time
period overlaps with a triennial recertification. Approval will be for the following reasons only.

Automatic Hardships

These hardships may be granted at the time of the triennial recertification for the following reasons.

Automatic hardships will last for 12 months.

1. Current gross income is less than the household’s retrospective (prior 12 months) income.
2. Childcare expenses total $2,500 or more annually.*
3. Large family: households with 6 or more dependents will receive a reduction in their gross
   income of $1,200.*

*Households will not be eligible to receive both a childcare hardship and a large family hardship. If a
household is eligible for both hardships, AMHA will select the most beneficial remedy.

Households may apply for additional hardships, which will last either 6 or 12 months depending on the
reason for the hardship.

6 Month Hardships:

1. Temporary decrease in income expected to last between 31 days and 6 months (such as unpaid
   leave, seasonal employment ending, etc.).
2. Other circumstances: A household may request a hardship exemption for other circumstances not
   outlined in this policy, such as the death of a family member that impacts the family’s finances or
   a significant increase in reasonable and necessary out-of-pocket expenses because of changed
   circumstances (for example, a large medical bill). AMHA will consider these requests and
appropriate remedies on a case-by-case basis and decisions will be made by a staff member at the supervisor level or higher.

12 Month Hardships:
1. Decrease in income: includes loss of employment or other income.
2. Childcare expenses totaling $2,500 or more annually.*
3. Large family: households with 6 or more dependents will receive a reduction in their gross income of $1,200.*
4. Full-time student status: an adult household member other than the head, co-head, or spouse becomes a full-time student after the effective date of the household’s triennial recertification and has earnings that would be excluded under 24 CFR 5.609(c)11.

*Households will not be eligible to receive both a childcare hardship and a large family hardship.
If a household is eligible for both hardships, AMHA will select the most beneficial remedy.

Long Term Hardship:
This hardship will last until the next triennial recertification and will not need to be renewed. Current income will not be reviewed for a long term hardship. Rather, the deceased household member and their income will be removed from the household’s record.
1. Death of a household member.

To request a tiered rent hardship exemption, the household must complete the Tiered Rent Hardship Request form and attach the household’s current income and proof of hardship. The form will be made available in an accessible format upon request as a reasonable accommodation. Current proof of all income for all current household members will be required, with the exception of a Long Term Hardship. The request will be reviewed and the household notified of the approval or denial in a timely manner.

The tiered rent hardship request will be denied if the form is not accompanied by documentation of the hardship and/or the request would not move the household’s income into a lower tier. In the case of hardship denials, the household will be sent a denial letter stating why they did not qualify.

Prior to the expiration of the tiered rent hardship, the household will be notified of their rent portion set at their last triennial recertification or new admission. Households may request a renewal of their hardship. The request will be treated as a new hardship request and undergo a new determination with current income.

If a household is approved for a hardship, and subsequently experiences another adverse event while still in hardship status, they may request an additional hardship. The request will be treated as a new hardship request and undergo a new determination with current income. There is no limit on the number of hardships that a household may receive. If a household is approved for a hardship, they are not required to report subsequent income increases during the period of their approved hardship.

If the head of household, spouse, or co-head becomes elderly or disabled, the household is eligible to be excluded from the tiered rent policy and return to the traditional income-based rent policy.

If a household disagrees with their hardship determination, they may use the following grievance procedure:

Request a review, which will be conducted by a staff member at the supervisor level or higher. The household must request a grievance review within and including ten (10) business days of the decision to deny or limit their tiered rent hardship request.