

2023-24 Annual Plan Mid-year Revision Policy Change Summary



Policies effective January 1, 2024
and to be fully implemented by July 1, 2024

Housing Authority of Clackamas County

<https://www.clackamas.us/housingauthority>



Equal Housing Opportunity

CONTENTS

- INTRODUCTION.....3**
- BACKGROUND3**
 - WHAT IS MOVING TO WORK (MTW)?..... 3
 - What are MTW Activities?*..... 4
 - How will MTW affect program Participants and the Community?*..... 4
 - Long-Term MTW Goals*..... 4
 - Short-Term MTW Goals*..... 5
 - WHAT IS HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA) 5
- PROPOSED POLICY CHANGES6**
 - 1. MTW ASSET BUILDING PROGRAM UPDATES – ASSET BUILDING PARTICIPANTS ONLY..... 6
 - Saving Account Component Changes:* 6
 - Credit Building Program Changes:*..... 6
 - 2. SIMPLIFIED RENT CALCULATIONS - MTW WAIVERS 1.G, 1.H, 1.R, 1.S. – HCV & PH 6
 - Tenant Paid Portion (TTP) Update - MTW waivers - 1.g, 1.h*..... 7
 - Removal of Deductions Update - MTW waivers - 1.r, 1.s:* 7
 - 3. UPDATED INCOME CALCULATIONS – HOTMA CHANGES - HCV & PH 7
 - Calculation of Asset Income*..... 7
 - Public Housing Eligibility for Over-income Families (PH only policy)* 8
 - Earned Income Disallowance (EID)*..... 8
 - 4. ALTERNATE RE-EXAMINATION SCHEDULE – MTW WAIVERS 3.A, 3.B – HCV & PH 8
 - 5. INSPECTION PROCESS CHANGE – MTW WAIVER 5.C - HCV 9
 - Third-Party Requirement for PBV Property Inspections – MTW Waiver 5.c*..... 9
 - 6. LOCAL PROJECT-BASED VOUCHER (PBV) PROGRAM – MTW WAIVERS – PBV ONLY 9
 - Rent Reasonableness 3rd Party Requirement – MTW Waiver 2.d*..... 9
 - Increase PBV Program Cap - MTW Waiver – MTW Waivers 9.a, 9.b* 9
 - Limit Portability for PBV – MTW Waiver 9.h* 10
 - Eliminate PBV Selection Process for PHA-Owned Projects - MTW Waiver 9.c*..... 10
 - 7. TENANT BASED HCV WAITLIST - GENERAL POLICY CHANGE – HCV ONLY 10
 - Special Purpose HCV Voucher Waitlist* 10
 - Regular HCV Voucher Waitlist* 11
 - 8. PBV WAITLIST POLICY CHANGES – HCV PBV ONLY 12
 - PBV REFERRAL-BASED WAIT LIST:* 12
 - PBV SITE-BASED WAITLISTS:* 13
- NEXT STEPS13**
- ATTACHMENT A - MTW WAIVERS14**
- ATTACHMENT B - IMPACT ANALYSIS FOR MTW WAIVERS23**
- ATTACHMENT C: MTW HARDSHIP POLICY.....33**
- ATTACHMENT D: SAFE HARBOR WAIVERS34**

INTRODUCTION

Each Spring, the Housing Authority of Clackamas County (HACC) is required to submit an Annual Plan and Moving to Work (MTW) Supplement to the US Department of Housing and Urban Development (HUD), in order to receive annual funding allocations. The Annual Plan including the Supplement provides HUD an overall update on HACC's progress toward agency goals and new activities planned for the next fiscal year.

This fiscal year, HUD is requiring that PHAs do a mid-year Revision to their Annual plans to incorporate the policy changes impacting their agencies due to the Housing Opportunity Through Modernization Act (HOTMA) final rule by January 1, 2024. Although policies must be added to the Annual plan by January, implementation of all the policies is not required until December 2025. This delay in implementation allows PHAs to update software and train staff on necessary changes in operations and incorporate immediate changes as needed.

In addition to the policy changes brought forward for HACC to consider from HOTMA, HACC also was recently designated as a MTW agency. This designation allows HACC additional policy flexibilities. Many of the MTW flexibilities HACC had initially chosen to wait and implement next fiscal year, however, we found they directly intersect with the new HOTMA changes. HACC has determined moving up the timeline of requesting the MTW waivers within this required mid-year Revision would be in the best interest of our residents, staff, and agency as a whole. Although the waiver request timeline has been pushed forward, HACC still plans for full implementation of the policy changes from the MTW waivers to be implemented on the original timeline of July 1, 2024, in alignment with the flexibility allowed by HOTMA.

HACC relies on a professional organization to write the legal policy language and they have notified us they will not have the exact legal language changes ready until November 2023. Due to this time constraint, a summary of the policy changes HACC is requesting will be reviewed for our residents, board and the public for comment in place of exact policy language. Policy changes required in HOTMA in which no decision points are allowed and in which no significant negative impact is expected for our residents, will simply be adopted by HACC as required and are not included in the policy summary. Specific policy language changes will be incorporated into our Housing Choice Voucher Administrative Plan (Admin Plan) and Public Housing Admissions and Continued Occupancy Policy (ACOP) documents when they are made available.

BACKGROUND

WHAT IS MOVING TO WORK (MTW)?

MTW is a HUD program that gives housing authorities flexibility around certain federal rules and regulations and allows the agency to implement local solutions. HACC was selected for MTW effective January 1, 2023. Our agreement for participation is for 20 years.

The MTW program provides HACC with a unique opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for serving low-income families. MTW agencies have greater flexibility to administer their Public Housing and Housing Choice Voucher programs with

policies that can address local needs and that allow the housing authority to utilize restricted funds in creative ways.

What are MTW Activities?

MTW activities are ways HACC proposes to operate differently than standard federal regulation, in an effort to create strategies that best fit our local needs. MTW activities will be shared with the community through a Public Hearing, with our Housing Advisory Committee referred to as the Resident Advisory Board (RAB) and with our Housing Authority Board of Commissioners to solicit feedback and approval on changes before plans are submitted to HUD for approval.

How will MTW affect program Participants and the Community?

The Moving to Work program has three statutory objectives: 1) increase affordable housing choices; 2) increase cost effectiveness; and/or 3) promote self-sufficiency. Each MTW activity will be designed to meet one or more of these statutory objectives.

HACC will review a variety of options available using its MTW flexibility to provide more affordable housing in the County with creative funding solutions. Each year, HACC may adopt new MTW activities that may impact our residents and participants, depending on the policy change and the family's circumstances. Before adopting new activities, HACC will hold public meetings and community discussions, to solicit feedback on the proposed changes.

Long-Term MTW Goals

HACC is framing our MTW strategies to align with the mission stated in our Agency's 5 Year Plan as well as our Local Implementation Strategy for the Metro Affordable Housing Bond.

The mission of the Housing Authority of Clackamas County is to provide and develop affordable housing with supportive services for individuals and families on their path to improved health, wellness, prosperity and inclusion. In order to sustain these services, we prioritize equitable service delivery, financial sustainability, and thriving partnerships to ensure our long-term viability.

The Metro Affordable Housing Bond Local Implementation Strategy aims to increase the inventory of affordable housing options for our County and the Supportive Housing Services (SHS) Local Implementation Plan aspires to address the County's homelessness crisis and meet the needs of our homeless populations.

The flexibility offered by the MTW program enables HACC to implement and test strategies that move the agency closer to these goals.

Throughout our participation as an MTW agency, HACC 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.

HACC will also build partnerships and create leverage points for both services and housing development. We will think creatively to increase the number of units available to our low-income households and help our residents access more opportunities for education, increase their income, and meet goals for their families.

HACC is committed to centering equity and inclusion in the work we do. An equity lens will be used when considering changes to policies or processes within the scope of MTW. We will examine practices and engage our households and community partners including 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 MTW Supplement as an MTW agency, HACC chose to focus on developing their asset building program for their cohort. The savings account and credit building aspects of the agency designed program align with County interests in families becoming more self-sufficient with the hope of graduating off of assistance and possibly becoming homeowners. In addition, HACC also aligned a Board-approved strategy to reposition HACC's costly and unsustainable scattered site Public Housing portfolio with the goal of creating affordable homeownership opportunities for lower income families.

Through this revision of our MTW supplement, we are focusing our efforts into streamlining operations with positive and meaningful impacts on those we serve and our staff. We have selected waivers for this MTW Supplement revision to allow us to bypass multiple policy changes where there is overlap between MTW waivers available to HACC as a MTW agency and new federal regulatory changes imposed by HOTMA. By requesting these MTW waivers at this time, HACC will avoid changing policies to align with HOTMA and then changing them again in HACC's normal Annual Plan cycle to later adopt MTW waivers.

WHAT IS HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA)

Signed into law in 2016, HOTMA makes numerous changes to the statutes governing HUD's rental assistance programs, including the Housing Choice Voucher (HCV) Program, as well Public Housing (PH). HOTMA policies aim to streamline administration and ease the burden on private owners and public housing authorities (PHAs).

On February 14, 2023, HUD published its HOTMA Final Rule which outlined the required changes and timelines for implementation of HOTMA rule changes. Principal Deputy Assistant Secretary Richard J. Monocchio announced that PHAs are required to update their HCV Administrative Plan (Admin Plan) and PH Admissions and Continued Occupancy Policy (ACOP) by January 1, 2024, however, HUD will delay compliance for Sections 102 and 104 of the HOTMA Final Rule until January 1, 2025.

Although mandated policy changes can simply be adopted by HACC, mandated policy changes that have options are considered significant amendments or modifications to HACC's Annual Plan and thus necessitate a Mid-year Revision.

As HACC staff reviewed all the HOTMA changes, it was noted that many intersected with MTW waiver options available that HACC had planned to implement in coming years. In many instances, the MTW waiver policy change option was deemed to be in the best interest of our residents and our agency in comparison with the HOTMA policy change. In those instances, HACC will be requesting the MTW waiver be implemented now in lieu of the HOTMA change to reduce confusion.

For example, in the case of medical and dependent deductions. HACC can request a MTW waiver that would allow HACC to waive all deductions and change our rent calculation entirely, whereas the

HOTMA change would only adjust how deductions are calculated. Because removing all deductions would be more streamlined and less confusing for staff and residents, HACC is choosing to request the MTW waiver for deductions with this revision instead of updating their policy to comply with HOTMA in this revision and then updating it again by requesting the MTW waiver later. Requesting the MTW waivers now, with this Revision, will reduce confusion for residents and reduce the number of policy changes for our programs overall.

Although, HACC normally provides exact language for policy changes for and HCV and PH programs in the Annual Plan, due to the condensed timelines of HOTMA policy changes, HACC has instead produced this summary. Specific policy language will not be available until November 2023 which is after HACC must submit this revision for HUD approval. HACC will adopt the specific policy language when it is made available.

PROPOSED POLICY CHANGES

1. MTW ASSET BUILDING PROGRAM UPDATES – ASSET BUILDING PARTICIPANTS ONLY

HACC is implementing a PHA-Designed Asset Building MTW program. The program expands HACC's current credit building program and adds a down payment assistance component. Below are the policy changes proposed to the Asset Building Program components added to the MTW Supplement for this revision however they are not connected with HOTMA changes.

Saving Account Component Changes:

- Each household enrolled in the homeownership program will be required to establish a savings account that is HACC managed where HACC will deposit funds equal to \$350 each month for 24 months to be used as part of a down payment on the purchase of a new home. This change added clarifying language and changed contribution amount from a percentage of income to a flat rate of \$350/month to simplify budgeting and implementation for the agency and participants.
- Adding clarification to add FSS program participants within the selection criteria. FSS participation was implied and originally assumed but was missing from the list in the document.
- Adjusted Household income criteria to \$45,000/year or above. Updated from \$30,000 a year as households at the higher income will likely have an easier time meeting eligibility for a home loan.
- Updated cost estimates to operate this program to \$218,000 over two years. This estimate was adjusted from \$130,000, due to the impacts of changing from a percentage of income to a flat amount contribution.

Credit Building Program Changes:

- Removed the incentives and reimbursements to landlords that participate. This change is the result of comments received by HUD's review of the first MTW Supplement submission.
- Updated language regarding who is estimated to participate in this expansion program to be clearer that includes other HACC programs such as project-based HCV. This is not a change in intent but a change to clarify the language for readers.

2. SIMPLIFIED RENT CALCULATIONS - MTW WAIVERS 1.G, 1.H, 1.R, 1.S. – HCV & PH

HACC is choosing to request the MTW waivers to simplify the process used to calculate rent for our residents as well as adding updates from HOTMA for calculating incomes and income verifications.

Standard rent calculations are complicated to understand, and time consuming for staff to administer. HACC believes simplifying rent calculations will bring efficiencies to staff and reduce confusion and burden for our tenants. The following policies apply to both our HCV and Public Housing programs.

Tenant Paid Portion (TTP) Update - MTW waivers - 1.g, 1.h: HACC is seeking a MTW waiver to change the calculation of rent from 30% of adjusted gross income to 28.5% of gross income.

Removal of Deductions Update - MTW waivers - 1.r, 1.s: HACC is requesting a MTW waiver to remove all medical/disability expense deduction and dependent deductions and allowances in calculating rent using the overall total tenant portion (TTP) update above to compensate for this change in calculation from 30% to 28.5% of gross income.

Under current regulations, families must pay no less than 30% of adjusted income on rent and utilities and at initial leasing can pay no more than 40% on rent and utilities. After initial leasing, a family's portion can increase as rents increase above the payment standard.

With this waiver, families will pay no less than 28.5% of gross income on rent and utilities. This will simplify the rent calculation tremendously and will reduce documentation burden on or tenants and will allow staff to spend less time on rent calculations.

There will be a hardship waiver if the policy changes result in a household paying more than 50% of income on rent and utilities. In cases of hardship, the standard deductions as determined under HOTMA will apply. The hardship language HACC will adopt is included in the MTW Supplement in this Annual Plan Revision.

An impact analysis was conducted regarding implementing MTW waivers 1.g/h and 1.r/s which would remove all deductions and allowances and changing rent calculations from 30% of adjusted income to 28.5% of gross income. HACC's analysis estimates the agency will save \$111,756 per year which could allow HACC to serve up to 9 more households in voucher programs.

Additional details regarding these MTW waivers and the impact analysis can be found in the attachments.

3. UPDATED INCOME CALCULATIONS – HOTMA CHANGES - HCV & PH

The following policy changes from the HOTMA final rule aim to simplify income calculations, limit assets and account for inflation factors. Some of the policies are not optional changes but are included because HACC anticipates the policy change could have a negative impact for residents.

Calculation of Asset Income: Families will be allowed to self-certify their assets, if their assets are valued under \$50,000. Assets will be verified every three years. This policy applies to both HCV and PH programs.

Asset Limits: Families will not be allowed to receive benefits if they have over \$100,000 in total assets or ownership in real property where the family could live. This limitation amount will have annual upward adjustments for inflation starting in 2025. Asset limitations also have additional

exemptions added by the HOTMA final rule that will be adopted. This policy is not optional and is included to inform our residents since it is anticipated to have a negative impact on some residents.

Public Housing Eligibility for Over-income Families (PH only policy)

Effective January 1, 2024, HACC will update their policy on over-income families under HOTMA. HACC will be updating their policy to begin terminations of households instead of offering an alternate rent to those families determined to be over-income for 24 months. This is a policy change from last update as HACC is directing resources toward households in the greatest need including those waiting on our waitlist.

Earned Income Disallowance (EID): The Earned Income Disregard (EID) program is ending with the HOTMA final rule. Current households will be allowed to finish out the majority of their planned benefit. This policy is not optional or selected however it is included in the summary to inform our residents of this change since it is anticipated to have a negative impact. HACC expects minimal impact to households in HCV however there will likely be larger impacts for PH households.

At this time, HACC will not adopt the HOTMA “safe harbor” policy to utilize income determinations from other Federal Public Assistance Programs. HACC will continue to do their own internal determinations.

4. ALTERNATE RE-EXAMINATION SCHEDULE – MTW WAIVERS 3.A, 3.B – HCV & PH

In order to further streamline processes, HACC is seeking to adopt an updated interim re-examination schedule through MTW waivers to start a triennial review schedule for seniors and people with disabilities on a fixed income. The triennial review schedule will be applied to households with at least one fixed income source, not including zero income households, where all the adults in the household are seniors or people with disabilities.

This subset of our community does not frequently see significant changes from year to year and annual reviews can be burdensome, so HACC proposes to do full reviews on these households once every three years instead of once a year. In fiscal year 2024-25, households qualifying for triennial reviews will complete their annual review and then will not be scheduled to have another regular review for three years. Households on a triennial review schedule will be sent rent notices and informational letters to remind them that they're on a triennial review.

If a household has zero income where all adults in the household are seniors or people with disabilities, they will be placed 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. Once these families have a fixed income source they may qualify for triennial reviews.

All other households will remain on the Annual review schedule.

Unless otherwise stipulated in the waiver, households will be subject to the new HOTMA rules for interim re-examinations in which interim reexaminations will only be required if a household's income decreases by 10% or more or is estimated to have increased by 10% or more.

In addition, HACC will also adopt the optional HOTMA policy requiring HACC to provide a 30-day notice to families that will be impacted by a rent increase from an annual or interim examination.

An impact analysis for the adoption of the alternate re-exam schedules determined that this policy change will have a negative impact to the agency's HAP expenses, increasing annual HAP expenditures by \$64,506 per year based on income increases that had been processed over the last three years. The analysis also indicated that HACC would be able to offset some of these additional expenses by reducing staff time processing examinations. The overall loss for HACC is estimated at \$36,364 per year to implement these policies which would be off-set by the gain estimated by simplifying rent calculations.

Additional details regarding this MTW waiver and the impact analysis can be found in the attachments.

5. INSPECTION PROCESS CHANGE – MTW WAIVER 5.C - HCV

Third-Party Requirement for PBV Property Inspections – MTW Waiver 5.c

HACC 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. HACC currently engages a third-party contractor to conduct Housing Quality Standard (HQS) inspections in these cases, and it is time consuming and costly. Using HACC staff to conduct these HQS inspections will streamline processes and create cost effectiveness. HACC will continue to have a sampling of inspections done by our auditor to ensure quality control and transparency in the process. This policy only applies to units our agency owns or controls that are assisted by tenant based or project-based vouchers. This policy does not apply to Public Housing. Additional details regarding this MTW waiver can be found in the MTW Supplement. This waiver does not require an impact analysis or a hardship policy.

6. LOCAL PROJECT-BASED VOUCHER (PBV) PROGRAM – MTW WAIVERS – PBV ONLY

HACC is utilizing MTW to create a local PBV program, designed to efficiently meet the needs of our local community and therefore are requesting multiple MTW waivers for program flexibilities.

Rent Reasonableness 3rd Party Requirement – MTW Waiver 2.d

HACC is proposing to eliminate the requirement for a third party to conduct rent reasonableness on units our agency owns or controls that are assisted with project-based vouchers. HACC 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.

Additional details regarding this MTW waiver can be found in the MTW Supplement. This waiver does not require an impact analysis or hardship policy. This policy applies only to HCV project-based vouchers.

Increase PBV Program Cap - MTW Waiver – MTW Waivers 9.a, 9.b

HACC is proposing to increase the program cap to 50% and the project cap 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.

Additional details regarding this MTW waiver can be found in the MTW Supplement. This waiver does not require an impact analysis or hardship policy. This policy applies only to HCV project-based vouchers.

Limit Portability for PBV – MTW Waiver 9.h

HACC 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 500 households waiting to access a tenant-based voucher – with many more in our community who are eligible, but not yet on any waitlist.

HACC will require a tenant to live in a PBV unit for 24 months. HACC will only make an exception for those requesting a move for VAWA or other reasonable 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.

Additional details regarding this MTW waiver can be found in the MTW Supplement. This waiver does not require an impact analysis or hardship policy. This policy applies only to HCV project-based vouchers.

Eliminate PBV Selection Process for PHA-Owned Projects - MTW Waiver 9.c

HACC 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. HACC will continue to abide by the additional HUD selection requirements and will maintain transparency with our community.

Additional details regarding this MTW waiver can be found in the MTW Supplement. This waiver does not require an impact analysis or hardship policy. This policy applies only to HCV project-based vouchers.

7. TENANT BASED HCV WAITLIST - GENERAL POLICY CHANGE – HCV ONLY

HACC regularly partners with local service providers to create housing programs that provide supports to ensure stability and success for participating families. HACC is proposing to set aside special purpose vouchers such as the Regional Long Term Rent Assistance (RLRA), Emergency Housing Voucher (EHV), Mainstream Vouchers (MS), Shelter Plus Care (SPC) and Foster Youth to Independence (FYI) for exclusively partnering with the Continuum of Care (CoC) Coordinated Housing Access (CHA) as a wait list that partners homeless families with a service provider to serve a vulnerable target population. Two systems will be used, one for special purpose vouchers and one for regular HCV vouchers as detailed below. Note: These policies apply only to HCV tenant-based vouchers in the HCV program. They are general policy changes HACC is proposing that are not related to HOTMA or MTW.

Special Purpose HCV Voucher Waitlist

The Coordinated Housing Access (CHA) referral waitlist for special purpose vouchers will be added to serve those transitioning out of institutional and other segregated settings, at serious risk of institutionalization, homeless or at risk of becoming homeless.

Regular HCV Voucher Waitlist

A centralized wait list used for all regular HCV vouchers already exists, however, HACC is proposing to update preferences and definitions to this list as listed below:

- a. **Removing Preference:** Maximum of 33 dedicated vouchers to serve homeless persons per fiscal year (FY) (July 1st to June 30th). Families must be homeless at time of application. This preference can only come from direct referring agencies that have signed a Memorandum of Understanding (MOU) outlining the services to be offered to those referred. The referrals must originate from the Coordinated Housing Access (CHA) system and have an HMIS identification number to show an intake was completed. To be referred households must be actively engaged in services at time of voucher issue. Referring agencies are limited to no more than 5 referrals from July 1-December 31. Starting January 1 remaining available vouchers will be distributed first come, first served order. Unused Preference slots do not carry over to the next fiscal year.
- b. **Removing Preference:** Maximum of 17 dedicated vouchers within a fiscal year (July 1st to June 30th) for families referred by a domestic violence professional counseling organization and/or shelter, for victims of domestic violence that has occurred within the last 12 months and are certified as homeless by the agency and who continue to be in counseling or case management through the referring agency or other professionally recognized counseling organization. Referrals from agencies that have signed an MOU outlining the services to be offered to their referral families will only be accepted. The applicant must certify that the abuser will not reside with the applicant unless the PHA gives prior written approval. Applicants will be served on a first come, first served basis. Unused Preference slots do not carry over to the next fiscal year.
- c. **Removing Preference:** Maximum of 10 dedicated vouchers per year within a fiscal year (July 1st to June 30th) for households referred by a provider that has entered into a Supportive Services MOU with HACC and applicant has been deemed by the provider to be in less need for supportive services. The household must be considered a candidate that is graduating off the PSH and that at time of entry into the PSH program were homeless and/or disabled. Unused Preference slots do not carry over to the next fiscal year. Referring agencies are limited to no more than 5 referrals from July 1-December 31. Starting January 1 remaining available vouchers will be distributed first come, first served order. Unused Preference slots do not carry over to the next fiscal year.
- d. **Removing Preference:** For Mainstream Vouchers only, preference will be given to non-elderly persons with disabilities transitioning out of institutional and other segregated settings, at serious risk of institutionalization, homeless or at risk of becoming homeless who are referred by an agency with an active MOU to provide supportive services. Homeless status must be met at time of application.
- e. **Add Definition of Work-focused Household:** Work-focused household is a household in which neither the head, spouse, nor cohead is a senior or a person with disabilities. All households that do not meet the definition of a senior and people with disabilities household are considered work-focused households.

- f. Adding Preference: Work-focused households will be given preference when over 75% of households served are at or below 30% AMI.
- g. Adding Local Preference: Households residing in Clackamas County The term “residence” includes shelters and other dwelling places where homeless families may be living or sleeping. Applicants who are working or have been notified that they were hired to work in Clackamas County will be treated as residents of Clackamas County. Graduates of, or active participants in, education and training programs in Clackamas County will be treated as residents of Clackamas County if the education or training program is designed to prepare individuals for the job market. The PHA defines training program as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education”. Employment, education, or training programs would include active participation in any of the following: GED or high school diploma, employment readiness programs, short term or long term training programs that will result in a certification; or a degree-seeking program at a college or university with a minimum enrollment requirement of six credit hours. The previous list is not inclusive of all eligible employment, education, or training programs. Third-party verification of active participation or graduation from such program within the past year will be required to receive a preference.

8. PBV WAITLIST POLICY CHANGES – HCV PBV ONLY

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, HACC is proposing all special purpose vouchers that are PBV will rely on the CHA as a wait list that partners homeless families with a service provider to serve a vulnerable target population. This will ensure a higher success rate for stability and success with this population. HACC will create two types of PBV wait lists, a referral-based type and a site-based type as detailed below. Note: These policies apply only to PBV vouchers in the HCV program. They are general policy changes HACC is proposing that are not related to HOTMA or MTW.

PBV REFERRAL-BASED WAIT LIST:

In situations where HACC is working with a specific provider or a targeted household type, HACC may forego use of a waitlist and instead use a referral and selection process. HACC will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained to demonstrate why a person was served in the order served. This process will be modeled after the same procedure currently used for the existing Veteran Administration Supportive Housing (VASH) voucher program.

For example, HACC 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 CHA through which people experiencing homelessness or at imminent risk of homelessness can find housing resources and be connected with qualified service providers. When HACC has available PBV units dedicated to this specific population, for example Mainstream PBV, it makes the most sense to accept referrals directly from

the CHA 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, HACC through the Supportive Housing Services contracts will have established and will institute quality control metrics to ensure that households are being referred in an equitable manner.

PBV SITE-BASED WAITLISTS:

HACC may allow individual PBV Projects to maintain their own site-based waiting lists with individual preferences. Site-based waitlists are often more practical to manage than the alternative of HACC individually managing multiple different lists. In addition, it sometimes creates a better connection between the applicant and the property or program.

HACC is likely to use site-based waitlists when the project has the capacity to offer onsite case management and services that 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. HACC may still choose to administer select waitlists internally, per the current standard PBV waitlist processes.

When using a site-based waitlist option, HACC will establish an MOU with the waitlist manager and will institute quality control metrics to ensure household selection in an equitable manner.

When any of these strategic waitlist processes are applied, the housing authority and/or the partner managing the process must comply with all applicable federal, state or local Fair Housing and civil rights laws and requirements. These laws and requirements are in place to promote equal housing choice for all prospective tenants regardless of race, color, religion, sex, sexual orientation, disability, familial status, or national origin. In cases where specific preferences are established, the housing authority and/or partner must apply criteria uniformly to all applicants in compliance with all Fair Housing and civil rights laws and requirements.

NEXT STEPS

HACC shared its proposed Midyear Modifications to the 2023 PHA Plan HOTMA & MTW Activity proposed changes with the Resident Advisory Board (RAB) which will be open to the public on 8/8/23 and has placed the document and comments from the RAB for public review and comment from 8/10/23 through 9/25/23.

The Housing Authority Board will hold a public hearing on the proposed midyear modifications to the PHA Annual Plan on 9/21/23 including MTW proposals, for submission. Documents will be submitted to HUD on 10/18/23 for final approval and adoption.

We will share more information about the implementation timeline for individual activities with the community as those plans are finalized. We expect most activities will be implemented between July and December 2024, and will continue to communicate with our households and communities about how these changes may affect them.

ATTACHMENT A - MTW WAIVERS

These additional Waivers will be added to Section C of the MTW Supplement to be effective 1/1/24 and will be implemented by July 1, 2024

Waiver	Tenant Payment as a Modified Percentage of Income (1.g, 1.h)	
Narrative	HACC proposes waiving certain provisions of sections 3(a)(1)-(2) and 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.611, 960.253, 960.255, and 982.516, allowing HACC to modify the percentage of income used to calculate each family's Total Tenant Payment (TTP). Note that this waiver and waiver 1.r/1.s must be implemented together as both the impact of the waiver and the related safe harbor waivers rely on the lower percentage of income (28.5%) to offset the elimination of deductions. Using this waiver, HACC will calculate household's Total Tenant Payment (TTP) based on 28.5% of the household's gross monthly income rather than 30% of the household's adjusted monthly income.	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
		Increase revenue
		Decrease revenue
	X	Decrease expenditures
Applicability	This rent policy waiver will apply to all MTW households.	
Safe Harbor Waiver	<p>HACC proposes waiving the following safe harbor:</p> <ul style="list-style-type: none"> i. Agency must exempt elderly and disabled families from rent policy. <p>HACC understands that including elderly and disabled households will require a safe harbor waiver for each of these waivers. However, HACC's analysis shows that when implemented together, these policy changes will have very negative little impact on the majority of elderly or disabled households. Furthermore, coupled with the triennial reexamination waiver (Waiver 3.a/b), HACC's elderly and disabled households will likely receive increases in pensions, SSI, and Social Security without seeing an associated increase in rent.</p> <p>HACC will operate within the following additional safe harbors:</p> <ul style="list-style-type: none"> i. The Tenant Payment in public housing and the Tenant payment in HCV must not exceed 32% of income for non-elderly/non-disabled families if the agency is utilizing flexibility under activities 1.r, 1.t, and/or 1.v (for 1.g) or 1.s, 1.u, and/or 1.w (for 1.h). ii. The Tenant Payment in public housing and the Tenant Payment in HCV must not exceed 35% of income for non-elderly/non-disabled families if the agency is not utilizing flexibility under activities 1.r, 1.t, and/or 1.v (for 1.g) or 1.s, 1.u, and/or 1.w (for 1.h). iii. Agency must conduct an impact analysis. 	

	iv. Agency must implement a hardship policy.
Hardship Policy	See HACC's attached hardship policy.
Impact Analysis	See HACC's attached impact analysis.

Waiver	Elimination of Deductions (1.r, 1.s)	
Narrative	HACC proposes waiving certain provisions of sections 3(a)(1), 3(b)(4)-(5), and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.611, 960.253, 960.255, 960.257, and 982.516, allowing HACC to eliminate the use of deductions in the calculation of Total Tenant Payment (TTP). Note that this waiver and waiver 1.g/1.h must be implemented together as both the impact of the waiver and the related safe harbor waivers rely on the lower percentage of income (28.5%) to offset the elimination of deductions. Using this waiver, HACC will eliminate medical deductions, childcare deductions, the elderly/disabled allowance, and the dependent allowance. This means that the calculation of Total Tenant Payment (TTP) will be based on gross rent rather than adjusted rent.	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
		Increase revenue
		Decrease revenue
	X	Decrease expenditures
Applicability	This rent policy waiver will apply to all MTW households.	
Safe Harbor Waiver	<p>HACC proposes waiving the following safe harbor:</p> <p>i. Agency must exempt elderly and disabled families from rent policy.</p> <p>HACC understands that including elderly and disabled households will require a safe harbor waiver for each of these waivers. However, HACC's analysis shows that when implemented together, these policy changes will have very negative little impact on the majority of elderly or disabled households. Furthermore, coupled with the triennial reexamination waiver (Waiver 3.a/b), HACC's elderly and disabled households will likely receive increases in pensions, SSI, and Social Security without seeing an associated increase in rent.</p> <p>HACC will operate within the following additional safe harbors:</p> <p>i. Agency must conduct an impact analysis.</p> <p>ii. Agency must implement a hardship policy.</p>	
Hardship Policy	See HACC's attached hardship policy.	
Impact Analysis	See HACC's attached impact analysis.	

Waiver	Rent Reasonableness 3 rd Party Requirement (2.d)
Narrative	HACC proposes waiving certain provisions of 24 CFR 982.352(b) and 983.303, eliminating the requirement that the PHA use a third-party entity to perform

	<p>rent-reasonableness determinations for units and properties the agency owns, manages, or controls.</p> <p>Procuring and overseeing a third-party contractor for rent reasonableness is costly and time-consuming for the agency. Instead, HACC will apply its current rent reasonableness process for non-owned/managed units to units it owns and manages. This process has adequate controls in place to ensure uniformity, auditability, transparency, and fairness of the determination.</p>	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
		Increase revenue
		Decrease revenue
	X	Increase expenditures
Applicability		Decrease expenditures
	HACC will apply this waiver to units in all Project-Based Voucher properties it owns, manages, and controls.	
Safe Harbor Waiver	<p>HACC does not request to waive any of the safe harbors related to this waiver and will operate within the following safe harbors:</p> <ul style="list-style-type: none"> i. The agency shall establish and make available a quality assurance method to ensure impartiality.* ii. The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area.* iii. At the Department’s request, the agency must obtain the services of a third-party entity to determine rent reasonableness for PHA-owned units.* 	
Hardship Policy	This waiver does not require a hardship policy.	
Impact Analysis	This waiver does not require an impact analysis.	
Quality Assurance Method	Please explain or upload a description of the quality assurance Method	
	HACC uses Nelrod’s EZRRD software to compile, analyze, and validate its rent comparisons for rent reasonableness. Using a third-party system for objective market analysis adds an element of quality control into HACC’s process. In addition, HACC will follow the SEMAP guidelines (SEMAP Indicator 2) for reviewing rent reasonableness determinations.	
RR Determination Method	Please explain or upload a description of the rent reasonableness determination method.	
	HACC relies on the Rent Reasonable Nelrod EZRRD Model, which offers a third-party database of rents to determine rent reasonableness of all County units. This analysis is based on the unit amenities, age, location, and other factors. EZRRD uses its five-method analysis system to compare multiple features per unit for a more in-depth analysis, and automatically identifies the three best comparables based on the system’s objective market analysis.	

Waiver	Alternative Re-Exam Schedule (3.a / 3.b)	
Narrative	<p>HACC proposes waiving certain provisions of the following policies:</p> <ul style="list-style-type: none"> i. Sections 3(a)(1), 3(a)(2)(E), and 8(o)(5) of the 1937 Act ii. 24 CFR Parts 960.257(a)-(b), 982.516(a)(1) and 982.516(c)(2) <p>Waiving these provisions will allow HACC to implement a triennial recertification policy for all elderly and disabled households on fixed incomes in both its Public Housing and Housing Choice Voucher programs. This will benefit the client and the PHA by reducing the burden of the regular review cycle. Under this waiver, the impacted households will have a reexamination once every three (3) years. As part of this policy change, the following policy decisions were made:</p> <ul style="list-style-type: none"> i. Approved rent increases will use an interim 50058 and will apply the most current payment standard and utility allowance. This will not result in an income review. ii. HACC will not conduct an interim reexamination for the entire household when a new household member is added, regardless of work/income status, age, or disability. iii. If a family moves into a new unit, HACC will process the change without reviewing the household's income. iv. Interims due to decreases in income will follow HOTMA rules, which stipulates an interim will be done if the household's income decreases by 10% or more. 	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
		Increase revenue
		Decrease revenue
		Increase expenditures
	X	Decrease expenditures
Applicability	HACC proposes to apply this policy to all elderly or disabled households on fixed incomes.	
Safe Harbor Waiver	<p>HACC does not request to waive any of the safe harbors related to this waiver and will operate within the following safe harbors:</p> <ul style="list-style-type: none"> i. Reexaminations must occur at least every three years. ii. The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more. iii. Agency must implement an impact analysis.* iv. Agency must include a hardship policy.* 	
Hardship Policy	See HACC's attached hardship policy.	
Impact Analysis	See HACC's attached impact analysis.	
Schedule		Once every two years
	X	Once every three years
		Other (describe below)

	Describe other:
Interims	How many interim recertifications per year may a household request?
	<input type="checkbox"/> 0
	<input type="checkbox"/> 1
<input checked="" type="checkbox"/> 2 or more	
Addressing Changes in Circumstance	Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.
	<p>HACC interim policies are as follows:</p> <ul style="list-style-type: none"> i. HACC will allow households to request an interim if the household's income decreases by 10% or more. ii. HACC will apply the most recent payment standard and utility allowance during the interim, reducing the likelihood that a rent increase negatively impacts the rent burden of the household. iii. HACC will allow a maximum of 2 interims per year.

Waiver	Third-Party Requirement for PBV Inspections (5.c)	
Narrative	<p>HACC proposes waiving certain provisions of Section 8(o)(11) of the 1937 Act, 24 CFR Part 982.352(b)(iv), and 24 CFR Part 983.103(f). Waiving these provisions will allow HACC to eliminate the requirement that the PHA use a third-party entity to perform Housing Quality Standard (HQS) inspections on units and properties the agency owns, manages, or controls.</p> <p>Procuring and overseeing a third-party contractor for HQS inspections services is costly and time-consuming for the agency. Instead, HACC will utilize its in-house HQS inspection team and the policies and procedures governing HQS inspections for the Housing Choice Voucher program. The HQS inspection process has built-in quality control measures in place that will help to ensure the inspections performed at properties owned or managed by HACC are uniform fair and that the process is transparent and auditable.</p>	
MTW Statutory Objectives	<input checked="" type="checkbox"/>	Cost effectiveness
	<input type="checkbox"/>	Self-sufficiency
	<input type="checkbox"/>	Housing choice
Cost Implications	<input type="checkbox"/>	Neutral (no cost implications)
	<input checked="" type="checkbox"/>	Increase revenue
	<input type="checkbox"/>	Decrease revenue
	<input type="checkbox"/>	Increase expenditures
	<input checked="" type="checkbox"/>	Decrease expenditures
Applicability	HACC will apply this waiver to units in all Project-Based Voucher properties it owns, manages, and controls.	
Safe Harbor Waiver	<p>HACC does not request to waive any of the safe harbors related to this waiver and will operate within the following safe harbors:</p> <ul style="list-style-type: none"> i. The agency shall establish and make available a quality assurance method to ensure an objective analysis.* ii. The participant must be able to request an interim inspection.* 	

	<ul style="list-style-type: none"> iii. HQS inspection standards must not be altered as found at 24 C.F.R. 982.401.* iv. At the Department's request, the agency must obtain the services of a third-party entity to determine if PHA-owned units pass HQS.*
Hardship Policy	This waiver does not require a hardship policy.
Impact Analysis	This waiver does not require an impact analysis.
Quality Assurance	<p>Please explain or upload a description of the quality assurance method.</p> <p>HACC will apply the SEMAP standards and methods (SEMAP Indicator 5) to select PBV inspections performed during the year by HACC staff. HACC will conduct Quality Assurance inspections on the selected units to ensure consistency and transparency.</p>

Waiver	Increase PBV Program Cap (HCV) (9.a)	
Narrative	<p>HACC proposes waiving certain provisions of section 8(o)(13)(B) of the 1937 Act and 24 C.F.R. 983.6(a)-(b), as superseded by the Housing Opportunity through Modernization Act of 2016 (HOTMA) Implementation Notices at 82 FR 5458 and 82 FR 32461. Waiving these provisions will allow HACC to increase the Project Based Voucher program cap to 50% of the lower of either HACC's total authorized units or HACC's annual budget authority.</p> <p>Project-based vouchers (PBVs) are an important resource in the community and increasing the program cap will allow the agency to coordinate with local property owners, developers, service coordinators, and jurisdictional partners to provide housing for targeted populations.</p>	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications	X	Neutral (no cost implications)
		Increase revenue
		Decrease revenue
		Decrease expenditures
Applicability	N/A	
Safe Harbor Waiver	<p>HACC does not request waiving any of the safe harbors for this activity, which are listed below:</p> <ul style="list-style-type: none"> i. The agency must not project-base more than 50% of the lower of either the total authorized units or annual budget authority. 	
Hardship Policy	This activity does not require a hardship policy.	
Impact Analysis	This activity does not require an impact analysis.	
Percentage of Units	What percentage of total authorized HCV units will be authorized for project-basing?	
	50%	

Waiver		Increase PBV Project Cap (HCV) (9.b)
Narrative	<p>HACC proposes waiving certain provisions of section 8(o)(13)(D) of the 1937 Act and 24 C.F.R. 983.56(a)-(b), as superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461. Waiving these provisions will allow HACC to increase the Project Based Voucher project cap to 100%. This will allow HACC to project-base 100% of the units in future housing developments.</p> <p>Project-based vouchers (PBVs) are an important resource in the community and having the ability to project base all of the units in a project will help HACC and its partners secure additional financing and leverage its resources to better meet the needs of the local community.</p>	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
	X	Increase revenue
		Decrease revenue
		Increase expenditures
		Decrease expenditures
Applicability	N/A	
Safe Harbor Waiver	<p>HACC does not request waiving any of the safe harbors for this activity, which are listed below:</p> <p>i. The agency is subject to Notice PIH 2013-27 where applicable, or successor.</p>	
Hardship Policy	This activity does not require a hardship policy.	
Impact Analysis	This activity does not require an impact analysis.	

Waiver		Eliminate PBV Selection Process for PHA-Owned Projects (9.c)
Narrative	<p>HACC proposes waiving certain provisions of 24 CFR Part 983.51 as superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461. These waivers will allow HACC to award project-based vouchers to non-Public Housing properties it owns without a selection process and without engaging in an initiative to improve, develop, or replace a Public Housing property or site. This waiver does not apply to other HUD-required selection requirements and the agency will ensure that the process to award vouchers is uniform and transparent.</p>	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
		Increase revenue
		Decrease revenue

		Increase expenditures
	X	Decrease expenditures
Applicability	HACC will apply this waiver to any recently project-based voucher properties it owns, manages, or controls, including existing projects, rehabilitation projects, new construction or other projects receiving new project-based assistance.	
Safe Harbor Waiver	<p>HACC understands that the implementation of Waiver 5.c overrides the following safe harbor for Waiver 9.c:</p> <ul style="list-style-type: none"> i. HQS inspections must be performed by an independent entity according to 24 C.F.R. 983.59(b) or 24 C.F.R. 983.103(f).* <p>HACC will operate within the following additional safe harbors:</p> <ul style="list-style-type: none"> i. A subsidy layering review must be conducted.* ii. The agency must complete site selection requirements.* iii. The agency is subject to Notice PIH 2013-27 where applicable, or successor.* iv. Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21.* 	
Hardship Policy	This waiver does not require a hardship policy.	
Impact Analysis	This waiver does not require an impact analysis.	

Waiver	Limit Portability for PBV (9.h)	
Narrative	<p>HACC proposes waiving certain provisions of Section 8(o)(13)(E) of the 1937 Act and 24 C.F.R. Part 983.261 as it was superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461. These waivers will allow the HACC to waive the requirement that PHA's provide a tenant-based voucher to project-based households after being on a project-based voucher for twelve (12) months. Instead, HACC proposes to limit portability to twenty-four (24) months.</p> <p>Waiving the 12-month portability requirement will:</p> <ul style="list-style-type: none"> i. Lower the cost of turning units for households moving to a tenant-based voucher ii. Help the project-based voucher project to cash flow by continuing to assist the household. iii. Decrease the administrative burden associated with program unit transfers. iv. Ensure that households on HACC waitlists, some of whom are currently unhoused and have been waiting their chance for a voucher, are offered a tenant-based voucher first. 	
MTW Statutory Objectives	X	Cost effectiveness
		Self-sufficiency
		Housing choice
Cost Implications		Neutral (no cost implications)
	X	Increase revenue
		Decrease revenue
		Increase expenditures

	X	Decrease expenditures
Applicability	This waiver only applies to households in HACC's Project-Based Voucher program.	
Safe Harbor Waiver	<p>HACC does not request waiving any of the safe harbors for this activity, which are listed below:</p> <ul style="list-style-type: none"> i. Portability under this activity must not be restricted for more than 24 months. ii. The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households.* iii. Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.* 	
Hardship Policy	This waiver does not require a hardship policy.	
Impact Analysis	This waiver does not require an impact analysis.	

ATTACHMENT B - IMPACT ANALYSIS FOR MTW WAIVERS

IMPACT ANALYSIS FOR WAIVERS 1.G., 1H, 1.R, 1.S

DESCRIPTION OF THE WAIVER

The Housing Authority of Clackamas County (HACC) proposes to implement the following waivers for all MTW households:

1. Waiver 1.g/h, Tenant Payment as a Modified Percentage of Income: HACC will calculate household's Total Tenant Payment (TTP) based on 28.5% of the household's gross monthly income rather than 30% of the household's adjusted monthly income.
2. Waiver 1.r/s, Elimination of Deductions: HACC proposes eliminating all deductions and allowances for all households, including elderly and disabled households. This means that the calculation of Total Tenant Payment (TTP) will be based on gross rent rather than adjusted rent.

HACC understands that including elderly and disabled households will require a safe harbor waiver for each of these waivers. However, HACC's analysis shows that when implemented together, these policy changes will have very negative little impact on the majority of elderly or disabled households. Furthermore, coupled with the triennial reexamination waiver (Waiver 3.a/b), HACC's elderly and disabled households will likely receive increases in pensions, SSI, and Social Security without seeing an associated increase in rent.

IMPACT ANALYSIS METHOD

An in-depth analysis was performed using the most recent 50058 for each active household. The goal of the analysis is to identify the following:

1. Financial impact to the agency
2. Disparate impact based on demographics

Answers to the standard HUD impact analysis questions identified in the MTW Operations Notice were derived from these analyses.

Results

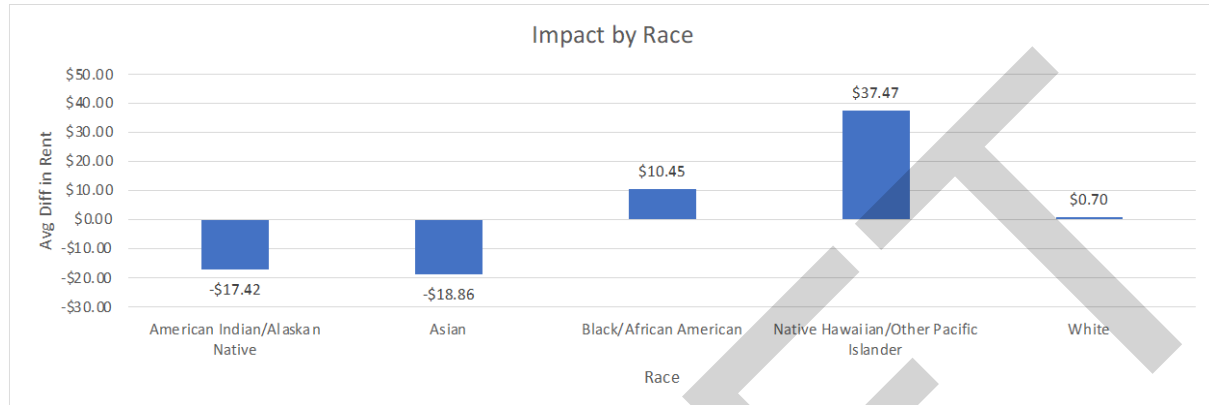
Financial Impact to the Agency

HACC estimates that these policy changes will save the agency \$111,756 per year. The chart below shows the calculations that were done as part of this analysis.

Metric	Result	Metric	Result
Average Rent Difference	\$0.93	Total Households Served	2,609
Current Annual HAP Expense	\$27,464,316	Current Voucher Households Served	2,205
Future Annual HAP Expense	\$27,352,560	Future Voucher Households Served	2,214
Difference in HAP Expenditures	-\$111,756	Difference in Households Served	9

Demographic Impact

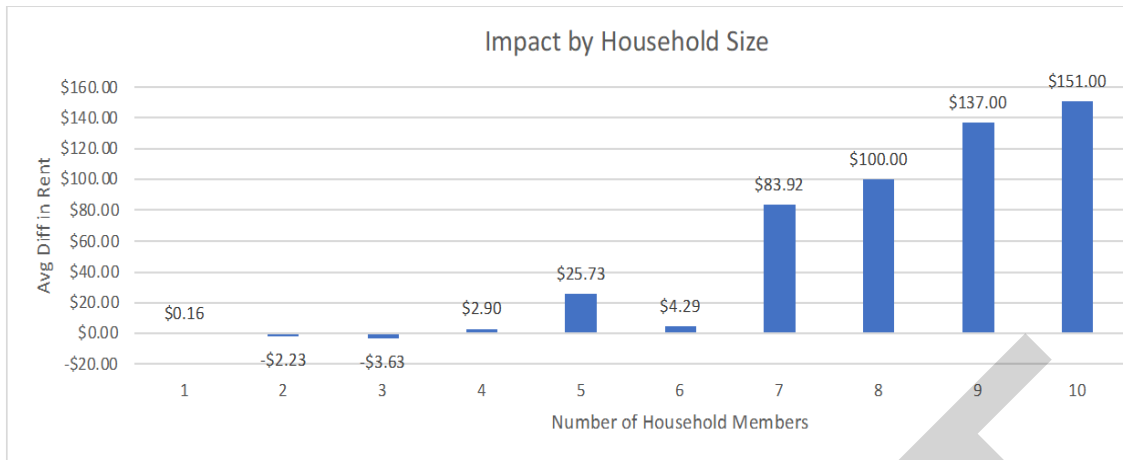
HACC analyzed the demographic impact by comparing the current and future tenant portion of rent and looking at the rent differences based on different demographic groups. The different groups include race, ethnicity, household size, single adults with a dependent, program and subprogram, income, households with earned income, elderly households, and disabled households. The charts on the following pages show the results of each these analyses. Any disparities are explained in the space following each chart.



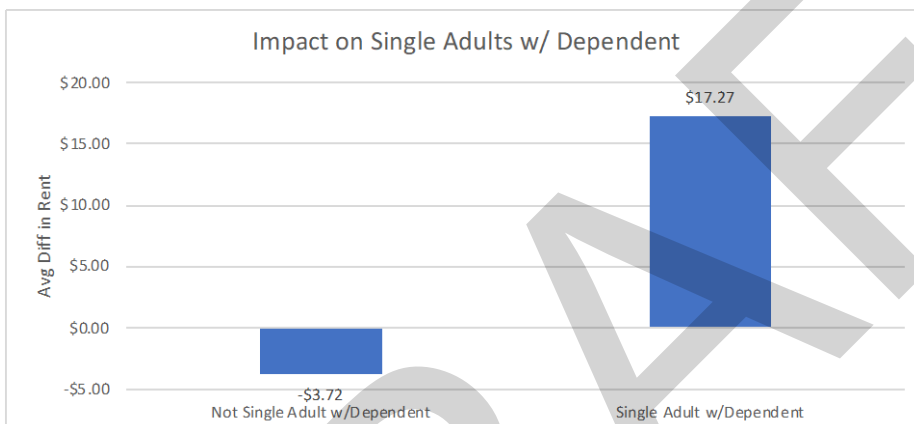
Native Hawaiian/Pacific Islander households only make up 0.54% of HACC's population, making the disparity seen here less meaningful. The table below shows HACC's population makeup by race.

Race	Percent of Total Households
Black/African American	8.01%
American Indian/Alaskan Native	2.49%
Asian	1.05%
Native Hawaiian/Pacific Islander	0.54%
White	87.75%

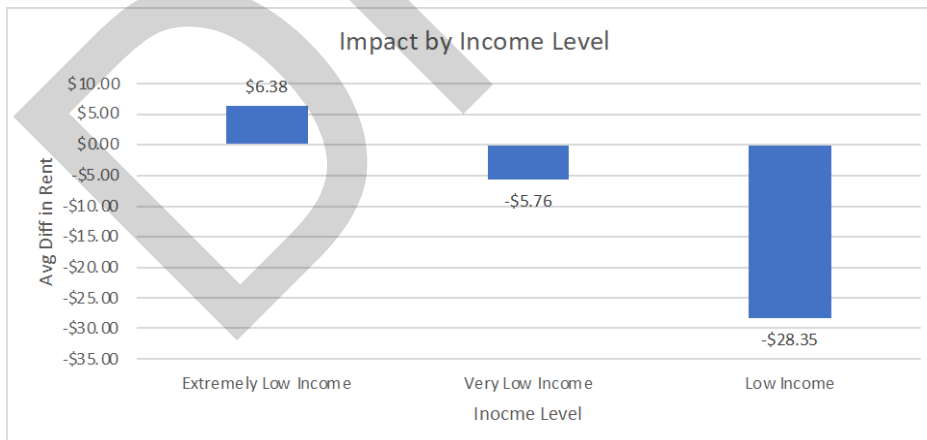




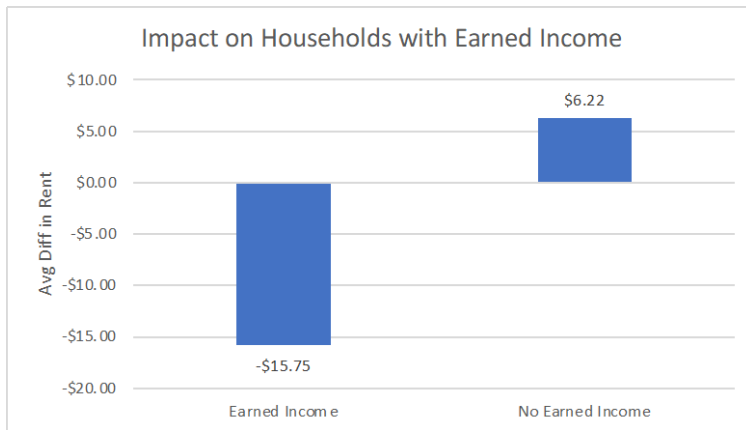
As expected, larger households will see a higher impact than smaller households due to the loss of the dependent deduction and childcare expenses. Some of these households will qualify for HACC’s hardship policy for the first year, lessening the initial impact.



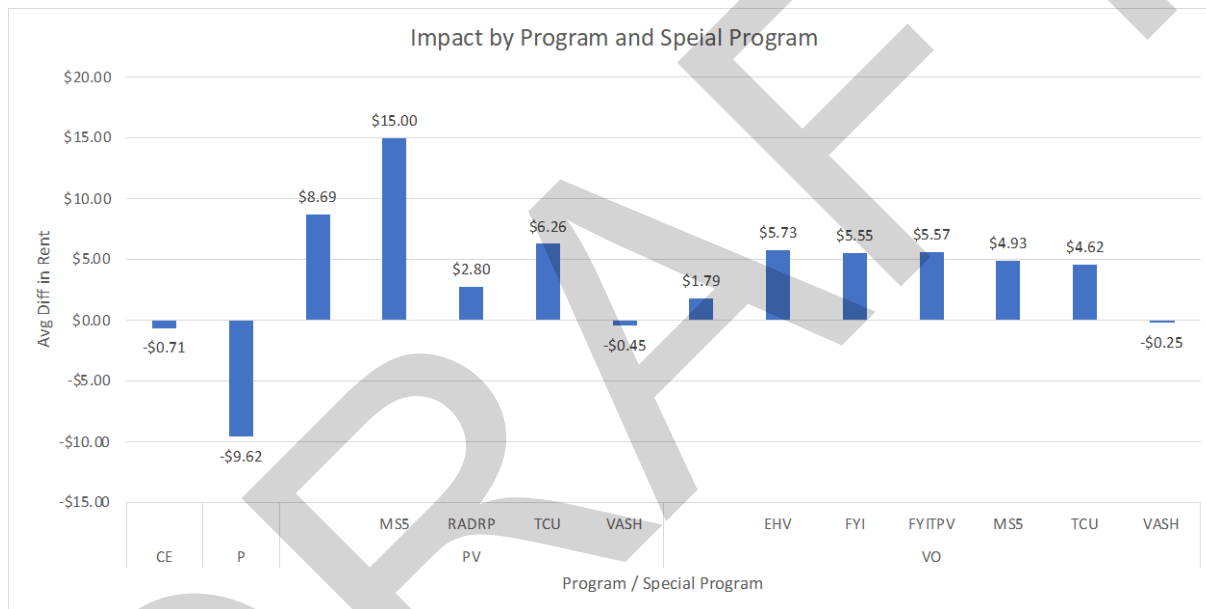
As expected, households with dependents, including those with a single adult, will see a higher impact than others due to the loss of the dependent deduction and childcare expenses. Some of these households will qualify for HACC’s hardship policy for the first year, lessening the initial impact.



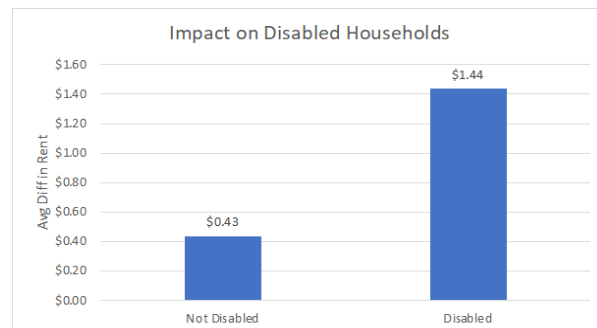
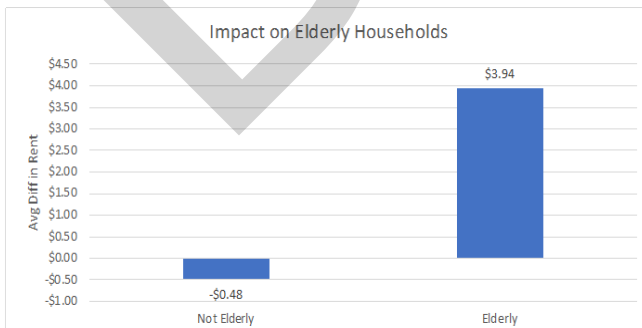
As expected, higher income households will see less of a negative impact due to these changes and many will see a positive impact. This is because the deductions are flat amounts and not based on income and eliminating a \$400 deduction for a household making \$5,000 per year will have a more significant impact than eliminating the same deduction for a household making \$50,000 per year.



Households with earned income make up 23.4% of HACC's population. These households tend to have higher incomes than the rest of the population, which is why they are more likely to see a positive impact due to the policy changes.



The households in the Public Housing program make an average of \$6,000 more than tenant-based voucher households and \$9,000 more than project-based voucher households, which explains the impact disparity between these households and those in other programs. The disparity in the project-based Mainstream program (MS5) is due to a smaller sampling size of households in that category.



As expected, elderly and disabled households will see a slight rent increase due to the elimination of the elderly/disabled deduction. However, this rent increase is negligible and households with high medical allowances may be able to qualify for a hardship in the first year.

Other Impact Analysis Questions

Below are answers to the additional impact analysis questions identified in the MTW Operations Notice.

#	Question	Answer	
1	Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)	HACC does not anticipate these policy changes impacting the agency's waitlists or the length of time that families are on the waitlists.	
2	Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)	HACC does not anticipate these policy changes impacting the agency's termination rate.	
3	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	HACC does not anticipate these policy changes impacting the agency's occupancy rate.	
4	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice	Cost effectiveness	These changes will help to streamline the reexamination process and reducing the amount of time that it takes to process verifications, perform rent calculations, and explain the results of the rent calculation to impacted families.
		Self-Sufficiency	HACC does not anticipate these policy changes directly impacting households' ability to become self-sufficiency.
		Housing Choice	HACC does not anticipate these policy changes directly impacting households' housing choice.
5	Impact on the agency's ability to meet the MTW statutory requirements	1. Ensure that 75% of newly assisted households have very low incomes	HACC does not anticipate these policy changes impacting the agency's ability to serve lower income households. However, the analysis confirmed that households with higher incomes will see more a more positive impact due to these changes.
		2. Establish a reasonable rent policy that encourages employment and self-sufficiency	This policy change is geared toward reducing administrative burdens, not encouraging employment and self-sufficiency. However, the analysis confirmed that households with more

#	Question	Answer
		earned income will see a more positive impact due to these changes.
	3. Continue to assist substantially the same number of households	These policy changes will allow HACC to serve 9 additional households with the funds saved. HACC will likely use this savings to offset the cost of other MTW activities.
	4. Continue to assist a comparable mix of households by family size	HACC does not anticipate that these policy changes will have an impact on the mix of households served by household size. However, the analysis confirmed that larger households will see a more negative impact due to these changes, namely the elimination of the dependent deduction and childcare expenses.
	5. Meet Housing Quality Standards requirements	This policy change will not have any impact on HQS.
6	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	HACC anticipates that large households (7+ members) and elderly/disabled households with high medical expenses will request hardships for the first year and that these hardship requests will be granted.

Conclusions for Waivers 1.g, 1.h and 1.r, 1.s

The results of this impact analysis were as expected. HACC is satisfied that there is not a disparate impact based on race or ethnicity and that the disparities in impact are the ones that were expected, namely that large households would see the highest negative impact and higher earning households would see the highest positive impact. HACC believes that its hardship policy will help to address these disparities.

IMPACT ANALYSIS FOR WAIVER 3.A., 3.B

Description of the Waiver – Alternative Re-examination Schedule for Households

The Housing Authority of Clackamas County (HACC) proposes to implement a triennial reexamination schedule for all Housing Choice Voucher (HCV) fixed income households who are elderly or disabled. Under this waiver, the impacted households will have a reexamination once every three (3) years. As part of this policy change, the following policy decisions were made:

1. Approved rent increases will use an interim 50058 and will apply the most current payment standard. This will not result in an income review.
2. HACC will not conduct an interim reexamination when a new household member is added, regardless of work/income status, age, or disability.
3. If a family moves into a new unit, HACC will process the change without reviewing the household's income.

4. Interims due to decreases in income will follow HOTMA rules, which stipulates an interim will be done if the household's income decreases by 10% or more.

Definitions Used in this Analysis

- **Work able:** household does not receive an elderly/disabled allowance.
- **Race and ethnicity:** race and ethnicity apply to the head of household only, not other individual household members.
- **Large families:** a family of four (4) or more members.
- **ELI:** Extremely Low Income, equal to 30% or less of the area median income
- **VLI:** Very Low Income, equal to income between 30% and 50% of the area median income
- **LI:** Low Income, equal to income between 50% and 80% of the area median income

Impact Analysis Method

An in-depth analysis was performed using 50058 data from the last three (3) years. The goal of the analysis is to identify the following:

1. Financial impact to the agency
2. Disparate impact based on demographics

Answers to the standard HUD impact analysis questions identified in the MTW Operations Notice were derived from these analyses. Note that HACC does not anticipate the policy changes to have a negative impact on any specific households. Therefore, HACC measured the positive impact to identify cases where certain groups were impacted more positively than others. The analysis confirmed that there will not be a negative impact to the families currently on program. However, the analysis also shows that fewer families may be able to be served in the future due to these changes.

Results

Financial Impact to the Agency

Based on its analysis, HACC determined that this policy change will have a negative impact to the agency's HAP expenses, increasing annual HAP expenditures by \$64,506 per year (row "e" in the chart below). This is measured by looking at the increases in income that have been processed over the last three years and the associated increase in rent and decrease in HAP. By changing the review cycle to every three (3) years, the incremental decreases in HAP expense will not be realized.

The chart also shows that HACC will be able to offset some of this increase in HAP by eliminating the staff time needed to complete annual reviews and interims for increases in income. This savings is estimated to be \$28,142 annually (row "c" in the chart below).

Population	Scenario	Formula
Elderly/Disabled on Fixed Income	Triennial	
Households with Earned Income	Annual	
Households on TANF	Annual	
Households with Zero Income	Annual	
Other Work Able Households	Annual	
<u>Triennials</u>		
- Total Households	2,290	
a1 - Average increase in income last 3 years	\$2,001	
b1 - Average decrease in income last 3 years	\$3,624	
c1 - Number of households with increase in income last 3 years	1,257	
d1 - Number of households with decrease in income last 3 years	247	
e1 - Reduction in HAP due to income increases	\$64,506	
f1 - Increase in HAP due to income decreases	\$52,411	
g1 - Number of interims last 3 years	1,323	
h1 - Number of annuals last 3 years	2,303	
i1 - Number of annuals under new policy	768	$h1 / 3$
j1 - Number of interims under new policy	247	$d1 / 3$
k1 - Reduction in number of reviews	194	$(g1 + h1)/3 - i1 - j1$
<u>Agency Impact</u>		
c - Annual cost savings due to reduction in number of reviews	\$28,142	$((g1 \times a) + (h1 \times b) - (i1 \times b) - (j1 \times a)) / 3$
d - Increase in HAP expenditures annually	\$64,506	$e1 + e2$
e - Total annual cost savings (loss)	(\$36,364)	$c - d$

Demographic Impact

To measure the demographic impact, HACC looked at the number of income increases over the last three (3) years by demographic group, including race, ethnicity, large families, elderly, income level, and disabled households. Race and ethnicity data is based on the head of household only. This assessment was done for all HCV households, work able households with an increase in any type of income, and work able households with an increase in earned income. The results shown in the chart below confirm the assumptions made by the team:

1. No households will see a negative impact due to this policy change, so the analysis shows which households had a more positive impact than others;
2. Large households would have more increases in income and those increases would be larger than other groups since there are more household members to earn income and a larger household to sustain;
3. Elderly and disabled households saw increases in income, but this was mainly due to fixed income increases and the amounts were marginal;
4. There was not a significant difference in the impact on households based on race or ethnicity and the most disproportionate impact (Native Hawaiian/Pacific Islander) is likely due to the small number of households in that group.

5. The higher a household's income is, the more likely they are to have an increase in income and higher the increase in income is likely to be.

- Elderly/disabled on fixed income = Triennials
 - All others = Annuals

Metric	African American	Asian	Native HI/Pacific	Native Amer.	White	Hispanic	Non-Hispanic	Large Family	Disabled	Elderly	ELI	VLI	LI	Formula
a. Total Population (# annuals + move-ins)	25	136	14	92	2,102	153	2,150	176	1,509	1,050	1,981	302	18	
b. Households with Increase in Income	17	75	5	53	1,422	80	1,450	83	1,065	811	1,317	195	16	
c. Percent of Population with Increase	68%	55%	36%	58%	68%	52%	67%	47%	71%	77%	66%	65%	89%	b / a
d. Average Income Increase	\$2,045.18	\$2,818.99	\$6,419.00	\$1,463.28	\$1,975.31	\$5,117.88	\$1,828.89	\$7,798.64	\$1,322.35	\$899.30	\$1,099.06	\$5,975.74	\$20,352.94	
e. Total Work Able Population (# annuals + move-ins)	0	0	0	0	0	0	0	0	0	0	0	0	0	
f. Work Able Households with Increase in Income	0	0	0	0	0	0	0	0	0	0	0	0	0	
g. Percent of Population with Increase - Work Able	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	f / e
h. Average Income Increase - Work Able	0	0	0	0	0	0	0	0	0	0	0	0	0	
j. Work Able Households with Increase in Earned Income	0	0	0	0	0	0	0	0	0	0	0	0	0	
k. Percent of Work Able HH's with Increase in Earned Income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	j / e

Other Impact Analysis Questions

Below are answers to the additional impact analysis questions identified in the MTW Operations Notice.

#	Question	Answer
1	Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)	While there is a chance that one or more families becomes over-income and remain housed (see question 2 below), HACC anticipates any impact to the waitlist or the amount of time families on the waitlist to be inconsequential.
2	Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)	HACC anticipates that this policy change could result in a family becoming over-income and remaining on program until the next review. This would most likely impact Low Income households (AMI>80%), whose increases in income were the largest over the last three years (\$20,352 vs. \$1,099 for ELI families). These households represent less than 1% of the total population, so the rate of occurrence will be minimal.
3	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	With a reduction in HAP, HACC may see a slight reduction in utilization due to this policy change. However, the agency will still meet its Substantially the Same (STS) requirement and the reduction in households served will be offset by future MTW policy changes.
4	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice	Cost effectiveness HACC analysis shows that by reducing the number of annuals and interims, this policy change will save the agency \$28,142 per year in administrative expenses.
		Self-sufficiency HACC believes that allowing households to increase their income without an impact on rent will encourage households to increase their income and work to become self-sufficient.
		Housing choice HACC does not anticipate any impact on housing choice.
5	Impact on the agency's ability to meet the MTW statutory requirements	6. Ensure that 75% of newly assisted households have very low incomes HACC will continue to use its current admissions policies, ensuring that this requirement is met.

#	Question	Answer	
		7. Establish a reasonable rent policy that encourages employment and self-sufficiency	While this policy is not a rent change policy, HACC believes that allowing households to increase their income without an impact on rent will encourage households to increase their income.
		8. Continue to assist substantially the same number of households	With a reduction in HAP, HACC will be able to serve fewer households. The agency will still meet its STS requirement and the reduction in households served will be offset by administrative efficiencies gained and other MTW policy changes.
		9. Continue to assist a comparable mix of households by family size	This policy will not have an impact on the household size of households served, although the analysis has shown that larger households will see more benefit from this policy change than small households.
		10. Meet Housing Quality Standards requirements	This policy change will not have any impact on HQS.
6	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	HACC does not anticipate any hardships as a result of this policy change as it will not have a negative impact on household's rent or utility payments.	

Conclusions for Waiver 3.a, 3.b

HACC recognizes that the change to reexamination frequency will have a negative impact on the funds it has available to house families in the HCV program. However, the agency also recognizes that the positive impact that this change will have on households could be significant and the increase in HAP expenditures can be offset by reduced administrative costs and other policy choices that the agency will be considering prior to the next MTW planning cycle.

ATTACHMENT C: MTW HARDSHIP POLICY

FINANCIAL HARDSHIP EXEMPTION FROM MTW RENT REFORM POLICIES

For a PHA in the Moving to Work demonstration, HUD requires the agency to adopt a policy for addressing hardship cases caused by agency established rent reform initiatives.

The Housing Authority of Clackamas County is implementing Moving to Work (MTW) policies and recognizes that some of the policies may adversely impact households. Therefore, HACC is adopting additional MTW policies to counter the negative outcome and adopting a hardship policy. The chart below indicates the MTW policies:

MTW Rent Reform Policies
Decrease in Total Tenant Payment (TTP) percentage calculation from 30% to 28.5%. When calculating a family’s monthly gross income, HACC will utilize a percentage of 28.5%.
Removal of all deductions/allowances

The hardship policy will allow a household to receive a one-time 12-month automatic deduction(s) if the household meets eligibility, when processing their annual or triennial recertification. The deduction for elderly/disabled is \$525* per household. An elderly family is one in which the head, spouse, co-head or sole member is an elderly person that is at least 62 years of age. A disabled family is one in which the head, spouse or co-head is a person with disabilities. The deduction for a dependent is \$480* per household member that qualifies. A dependent is a family member who is under 18 years of age or a person of any age who is a person with a disability or full-time student; excluded from dependent status are head-of-households, spouses, co-heads, foster children/adults and live-in aides.

To be eligible for a hardship, households must meet the requirements (see chart):

Deduction	Eligibility Requirements
Elderly/Disabled \$525	Elderly and/or Disabled; Household’s TTP must exceed 50% of their monthly gross income as a result of the newly implemented MTW policies; adhere to current program rules and regulations; and not owe HACC money, or if you do owe money, be current on your repayment agreement
Dependent \$480 (per qualifying household member)	Have a dependent(s); childcare expenses in the household above \$2500; Household’s TTP must exceed 50% of their monthly gross income as a result of the newly implemented MTW policies; adhere to current program rules and regulations; and not owe HACC money, or if you do owe money, be current on your repayment agreement.

*Deduction figures are adjusted annually for inflation and rounded to the next lowest multiple of \$25. The current 2024 figures are \$525 and \$480.

ATTACHMENT D: SAFE HARBOR WAIVERS

Tenant Payment as a Modified Percentage of Income (1.g, 1.h)	
(a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor	Tenant Payment as a Modified Percentage of Income, waiver 1.g (Public Housing) and 1.h (HCV)
(b) the specific safe harbor and its implementing regulation	Agency must exempt elderly and disabled families from rent policy.
(c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver	HACC proposes including elderly and disabled households in its rent reform activities. In its analysis, HACC saw only marginal impact to elderly/disabled households and the two rent reform activities (1.g/1.h and 1.r/1.s) complement one another by offsetting the corresponding impact.
(d) a description of the local issue and why such an expansion is needed to implement the MTW activity	HACC understands that including elderly and disabled households will require a safe harbor waiver for each of these waivers. However, HACC's analysis shows that when implemented together, these policy changes will have very negative little impact on the majority of elderly or disabled households. Furthermore, coupled with the triennial reexamination waiver (Waiver 3.a/b), HACC's elderly and disabled households will likely receive increases in pensions, SSI, and Social Security without seeing an associated increase in rent.
(e) an impact analysis,	In conjunction with the waiver 1.r/1.s, the impact analysis for this waiver shows that elderly households will see an average increase in the tenant portion (rent and utility allowance) of \$3.94 per month and disabled households will see an average increase in the tenant portion of \$1.44 per month. HACC's impact analysis has more detail on the overall impact of these changes.
(f) a description of the hardship policy for the MTW activity	If an elderly and/or disabled household's TTP exceeds 50% of their monthly gross income as a result of the newly implemented MTW policies, the household adheres to current program rules and regulations, and does not owe HACC money, they qualify for a 12-month hardship. The hardship will give the household a standard deduction of \$525.
(g) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement	Comments will be added to the supplement once received.
Elimination of Deductions (1.r, 1.s)	
(a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor	Elimination of Deductions, waiver 1.r (Public Housing) and 1.s (HCV)

(b) the specific safe harbor and its implementing regulation	Agency must exempt elderly and disabled families from rent policy.
(c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver	HACC proposes including elderly and disabled households in its rent reform activities. In its analysis, HACC saw only marginal impact to elderly/disabled households and the two rent reform activities (1.g/1.h and 1.r/1.s) complement one another by offsetting the corresponding impact.
(d) a description of the local issue and why such an expansion is needed to implement the MTW activity	HACC understands that including elderly and disabled households will require a safe harbor waiver for each of these waivers. However, HACC's analysis shows that when implemented together, these policy changes will have very negative little impact on the majority of elderly or disabled households. Furthermore, coupled with the triennial reexamination waiver (Waiver 3.a/b), HACC's elderly and disabled households will likely receive increases in pensions, SSI, and Social Security without seeing an associated increase in rent.
(e) an impact analysis,	In conjunction with the waiver 1.r/1.s, the impact analysis for this waiver shows that elderly households will see an average increase in the tenant portion (rent and utility allowance) of \$3.94 per month and disabled households will see an average increase in the tenant portion of \$1.44 per month. HACC's impact analysis has more detail on the overall impact of these changes.
(f) a description of the hardship policy for the MTW activity	If an elderly and/or disabled household's TTP exceeds 50% of their monthly gross income as a result of the newly implemented MTW policies, the household adheres to current program rules and regulations, and does not owe HACC money, they qualify for a 12-month hardship. The hardship will give the household a standard deduction of \$525.
(g) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement	Comments will be added to the supplement once received.
Eliminate PBV Selection Process for PHA-Owned Projects (9.c)	
(a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor	Eliminate PBV Selection Process for PHA-Owned Projects, waiver 9.c
(b) the specific safe harbor and its implementing regulation	HQS inspections must be performed by an independent entity according to 24 C.F.R. 983.59(b) or 24 C.F.R. 983.103(f).
(c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver	HACC proposes waiving certain provisions of 24 CFR Part 983.51 as superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461. These waivers will allow HACC to award project-based vouchers to non-Public Housing properties it owns without a selection process and

	without engaging in an initiative to improve, develop, or replace a Public Housing property or site.
(d) a description of the local issue and why such an expansion is needed to implement the MTW activity	In addition to waiver 9.c, HACC is also requesting approval of waiver 5.c, allowing it to perform HQS inspections on units that it owns. Waiver 5.c is in direct conflict of the safe harbor for waiver 9.c listed above under (b). HACC believes that the HQS quality control measure already in place eliminate the need for a third-party inspector. In addition, the anticipated cost and time savings achieved through the implementation of this waiver will allow the agency to focus its resources on activities that have a higher overall value for its clients.
(e) an impact analysis	This safe harbor waiver will increase the number of hours in-house inspectors spend on inspecting units owned by HACC and may require an additional inspector to be hired. The waiver will also result in a decrease in the amount spent on third-party inspections.
(f) a description of the hardship policy for the MTW activity	While HACC's standard MTW hardship policy will be available to all households, the agency does not anticipate this safe harbor waiver having a direct impact on the households it serves and therefore does not anticipate that it will result in hardship requests.
(g) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement	Comments will be added to the supplement once received.