

## **Moving to Work (MTW) 2021 Proposed Annual Plan - Brief Summary**

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Since 2008, Santa Clara County Housing Authority (**SCCHA**) has introduced nationally recognized changes to its affordable housing programs through the Moving to Work (**MTW**) demonstration program. MTW is a federal initiative established by Congress that encourages selected housing authorities to propose and implement, upon the U.S. Department of Housing and Urban Development (**HUD**) approval, locally-designed changes to the way affordable housing programs are administered.

The goals of the MTW program are:

- To increase cost effectiveness in housing program operations;
- To promote participants' economic self-sufficiency; and
- To expand participants' housing choices.

SCCHA has prepared its draft annual MTW plan to describe how the Agency plans to implement its MTW demonstration program for Fiscal Year 2021, from July 1, 2020 to June 30, 2021. In the plan, SCCHA seeks approval from HUD to add the following activities:

### **Re-Propose Activity 2011-02: Simplify Requirements Regarding Third-Party Inspections and Rent Services.**

HUD requires an independent entity to perform various functions on behalf of Public Housing Authorities (PHAs) when Section 8 subsidies are attached to PHA-owned properties. Activity 2011-02 was first proposed to eliminate HUD's approval of the independent entity. SCCHA is re-proposing this activity to further eliminate independent entity requirements of:

- Establishing contract rents (initial rent to owner and redetermined rent to owner);
- Approving contract terms;
- Determining rent reasonableness; and
- Assisting the family in negotiating the rent with the owner.

The requirements remain but will be completed by SCCHA staff. The Housing Authority has existing measures in place to ensure that all work processes are completed fairly and correctly, including those conducted for SCCHA-owned properties. Removing the need for a third party to provide these services allows the Housing Authority to become more cost effective by utilizing its own staff to perform functions that they are already responsible for when processing and maintaining Housing Choice Vouchers. It will also improve delivery time by eliminating a third-party to process certain work. *(MTW Statutory Objective: Increase Cost Effectiveness)*

### **Impose Limits on Project Based Voucher (PBV) to Housing Choice Voucher (HCV) Conversion (2021-01).**

HUD regulations require that a public housing agency provide tenant-based assistance (in the form of a Housing Choice Voucher or other similar subsidy) to any PBV tenant who provides a notice to move from the PBV property with continued tenant-based assistance. PBV tenants are given priority to receive available tenant-based vouchers above waiting list applicants.

Due to the significant demand for affordable rental housing in Santa Clara County and because the Housing Authority continues to assist persons off a Section 8 waiting list that is fourteen years old, the Housing Authority is proposing to limit the number of PBV to HCV conversions to ten percent of the number of HCVs it plans to issue each year. This will allow the agency to exhaust its waiting list sooner.

Housing Choice Vouchers will be released to PBV tenants on a first come-first serve basis until the maximum allotment is met. When the maximum is met, PBV tenants will be notified that they will not be able to receive an HCV until the next calendar year and placed on an internal SCCHA waiting list, ranked in order of the date of their request. Applicants on the waiting list will be offered HCVs prior to any new conversion requests received in the current calendar year. *(MTW Statutory Objectives: Increase Housing Choices & Cost Effectiveness)*

**Streamline Conversion of Subsidized Units to Project Based Vouchers (PBV) (2021-02).** This activity seeks to convert HUD non-Section 8 subsidized units into Project Based Voucher units upon expiration or an owner voluntarily opting out of their HUD contract. Upon receipt of an additional allocation of HUD issued Tenant Protection Vouchers (TPV), SCCHA will convert them to Project Based Vouchers to be utilized for this purpose.

Tenants will be able to remain in place under the PBV program instead of receiving an Enhanced Voucher (EV). Enhanced Vouchers are typically administratively burdensome to process and can be cost prohibitive for tenants. Immediately prior to the conversion to Project Based Vouchers, tenants may move with the HUD-issued Tenant Protection Voucher and SCCHA will project-base the vacated unit with one of its existing vouchers. Rental units will remain as Project Based Voucher units after the tenants move out.

Conversion of subsidized units into PBV units increases housing choices for low-income families and preserves the long-term affordability of expiring subsidized properties. *(MTW Statutory Objectives: Increase Housing Choices & Cost Effectiveness)*

**Waive Earned Income Verification (EIV) Report for Interim Reexaminations & New Admissions (2021-03).** This activity seeks an exemption from generating and reviewing the EIV Income Report and EIV Income Validation tool for income discrepancies during interim reexaminations for participants and new admissions processing for applicants. The requirement to use the EIV income report for interim reexaminations and new admission processing translates to additional staff time spent accessing and reviewing outdated EIV income reports that are not accurate for income calculation purposes.

Eliminating the generation and review of the EIV reports will result in an improvement in the amount of staff time spent processing documentation that does not impact participants and applicants. Staff will continue to generate and review the report and use the tool at regular reexaminations to look for possible mis-reporting of income. *(MTW Statutory Objective: Increase Cost Effectiveness)*

**Simplify the Minimum Rent Hardship Exemption (2021-04).** Approval is sought to waive HUD's Minimum Rent Hardship exemption and replace it with a simpler exemption policy that better addresses the needs of SCCHA participants. SCCHA's proposed policy does not differentiate between a temporary and long-term hardship and does not require Housing Authority staff to track and receive repayment from participants after the hardship waiver is lifted.

### **Public Hearing**

SCCHA will hold a public hearing on the proposed MTW Plan on **Thursday, March 12, 2020 from 11:00 a.m. to 12:00 p.m.** at the following location:

Santa Clara County Housing Authority  
Yosemite Conference Room  
505 West Julian Street  
San José, CA 95110

A preliminary draft of the MTW Plan will be available for review at this location and public comments on the plan will be accepted from February 24, 2020 – March 24, 2020. The draft plan will also be available online on the SCCHA website at [www.scchousingauthority.org](http://www.scchousingauthority.org).

Comments may be submitted electronically to: [Aimee.Escobar@scchousingauthority.org](mailto:Aimee.Escobar@scchousingauthority.org) or by U.S. mail to the attention of Aimée Escobar, Senior Housing Policy Analyst, 505 West Julian Street San Jose, CA 95110.

The final proposed FY2021 MTW Annual Plan will be presented to the SCCHA Board of Commissioners for approval on April 2, 2020 and will be submitted to HUD for final approval no later than April 15, 2020.

In accordance with the Rehabilitation Act of 1973, the Housing Authority will make reasonable efforts to accommodate persons with disabilities. Please call (408) 275-8770 at least three days in advance of the public hearing if you require special accommodations. TDD/TTY users call 408-993-3041.