

South Carolina Regional Housing Authority #3 Proposed 2023 MTW Supplement Summary

MTW Supplement Narrative

In September 2022, South Carolina Regional Housing Authority #3 (SCRHA3) was designated by the US Department of Housing and Urban Development (HUD) as a Moving to Work (MTW) agency as part of the Asset Building Cohort. Participation in the MTW program, which extends for a twenty-year initial term, provides SCHRA3 with significant programmatic and financial flexibility and the ability to implement innovative solutions that address local needs and priorities.

The MTW program has three statutory objectives: 1) increase affordable housing choices, 2) increase cost effectiveness, and/or 3) promote resident self-sufficiency. Each MTW activity undertaken by SCRHA3 will be designed to meet one or more of these statutory objectives. The flexibility offered through MTW will enable SCRHA3 to implement and test strategies that move the agency closer to these objectives.

In implementing the MTW program, SCHRHA3's long-term vision is to promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to nonsubsidized housing. SCRHA3 plans to use MTW flexibility to create locally designed MTW activities that embody and advance this vision. This will be done incrementally over time, based on ongoing discussions with, and feedback from, residents, staff, agency partners and other community stakeholders.

Submission of an MTW Supplement to the Annual PHA Plan that describes SCRHA3's proposed activities and waivers is a requirement of MTW participation pursuant to HUD's MTW Operations Notice. As part of the Annual PHA Plan, the MTW Supplement is posted for public review and comment, including a required public hearing, and is subject to review and approval by SCRHA3's Board before submission to HUD.

For its first year of MTW participation, SCRHA3 intends to begin implementation of the following activities, each of which is further described in this MTW Supplement:

Public Housing and Housing Choice Voucher Program

Opt-Out Savings Accounts (MTW Cohort Activity 5.1.a. and 5.1.b.): Approximately 25% of HCV and Public Housing households will be randomly selected to receive savings accounts and other financial incentives funded by SCRHA3 for a twenty-four month period. Selected households may elect not to participate in this program.

Public Housing Program Only

Alternative Reexamination Schedule for Households (MTW Activity 3.a.): Public Housing households will have their reexaminations conducted on a triennial basis, i.e. at least once every three years. Income increases between regular reexaminations will not need to be reported; however, households will be able to request an interim reexamination at any time between regular reexaminations due to decreases in household income or other reasons.

Self-Certification of Assets (MTW Activity 3.c): Public Housing households will be able to self-certify their assets up to \$50,000 at reexamination .

Housing Choice Voucher Program Only

Utility Reimbursements (MTW Activity 1.n.): Utility reimbursements will be eliminated when the utility allowance is greater than the total tenant payment for HCV households.

Pre-Qualifying Units Inspections (MTW Activity 5.a.): SCRHA will allow pre-qualifying unit inspections to be performed on housing units within ninety (90) days of the HCV participant occupying the unit. Program participants will be able to request an interim inspection.

MTW Waivers and Associated Activities

Utility Reimbursements (HCV) - MTW Activity 1.n.

SCRHA3 will eliminate utility reimbursements when the utility allowance is greater than the total tenant payment for Housing Choice Voucher (HCV) program households. This activity is part of the agency's broader MTW initiative to streamline program operations and reduce administrative burdens and will support the MTW statutory objective of cost effectiveness.

The activity will apply to all HCV households in both the tenant-based and/or project-based programs, as well as to both new admissions and currently assisted households. Due to the limited applicability of this activity, implementation is expected to have a minor impact on agency finances, resulting in slightly reduced expenditures and administrative burden.

Alternative Schedule for Reexaminations (Public Housing) – MTW Activity 3.a.

SCRHA3 plans to implement an alternative reexamination schedule for Public Housing households beginning in 2023 with regular reexaminations conducted at least once every thirty-six (36) months. Households will not have to report income increases between regular certifications; however, they will continue to be eligible to request an interim reexamination at any time between regular recertifications, which will essentially eliminate any hardship to residents. There is no limit to the number of interim reexaminations that can be requested.

Implementing triennial reexaminations will provide an incentive for residents to increase their income as they will be able to retain all of the additional income accrued between regular reexaminations, while also reducing administrative burden on residents. It is also projected to reduce the amount of time spent by SCRHA3 staff on collecting, verifying and processing regular reexaminations. As such, this activity will support the MTW statutory objectives of cost effectiveness and promoting resident economic self-sufficiency.

Subject to HUD approval, SCHRA3 will also create a Local Authorization for Release of Information/Privacy Act Notice to replace form HUD-9886. The local form will extend the expiration date to 36 months to accommodate households on triennial recertification cycles.

The activity will apply to all Public Housing households, as well as to both new admissions and currently assisted households. Implementation is expected to be cost neutral after considering both the potential lost income resulting from less frequent regular reexaminations and the potential cost savings from staff conducting less frequent regular reexaminations.

SCRHA3 has prepared the required impact analysis and hardship policy for submission with the MTW Supplement.

Self-Certification of Assets (Public Housing) – MTW Activity 3.c.

Self-certification of assets will allow Public Housing households to self-certify assets received up to \$50,000 at admission and recertification. SCRHA3 will decrease the reporting burden on families by no longer requesting bank statements or verifying stocks and bonds with a cumulative value of up to \$50,000. This change will also reduce the staff administrative burden required to collect and process

data and eliminate the household's having to pay bank charges for bank statements. This activity is part of SCRHA3's broader MTW initiative to streamline program operations and reduce administrative burdens and will support the MTW statutory objective of cost effectiveness.

The activity will apply to all Public Housing households, as well as to both new admissions and currently assisted households. Implementation is projected to be cost neutral.

Pre-Qualifying Unit Inspections (HCV) – MTW Activity 5.a.

SCRHA3 will allow pre-qualifying unit inspections for the Housing Choice Voucher program in order to expedite the lease-up process and increase housing choices for program participants. All pre-qualifying inspections will be conducted within 90 days of the participant occupying the unit. An interim inspection will be made available based on need/request and HQS standards will not be altered.

This activity will support the MTW statutory objective of increasing housing choices for participants.

The activity will apply to all HCV households in both the tenant-based and project-based programs at new admission. Implementation is projected to be cost neutral.

Opt-Out Savings Accounts (Public Housing and HCV) – MTW Activity Cohort 5.1.a, 5.1.b.

As part of its participation in the MTW Asset Building Cohort, SCRHA3 will implement a series of activities designed to promote family asset building and increased savings. Approximately 25% of HCV and Public Housing households will be randomly selected to receive savings accounts and other financial incentives funded by SCRHA3 for a twenty-four month period.

All households regardless of elderly and/or disabled status will be eligible to participate in the random selection process. Selected households may elect to opt-out and not participate in this program at any time. Households will not be required to enroll in or meet the eligibility requirements of the Family Self-Sufficiency (FSS) program and will not be required to enter into an FSS Contract of Participation. The amount of funds contributed by SCRHA3 will not be linked to household income, and contributions will be made whether or not there is a corresponding increase in the household rent or participant contribution.

SCRHA3 will establish savings accounts on behalf of each selected household and will deposit \$10 per month for 24 months into each savings account. Selected households will be eligible for additional savings accounts deposits made by SCRHA3 that are designed to promote educational attainment, asset creation, successful tenancy and other behaviors. For example, SCRHA3 will deposit funds into savings accounts to reward on-time recertification and rent payments; completion of various classes and courses (e.g. financial literacy, homebuyer education); participation in ROSS service; passed inspections; and, voluntary savings deposits. If the household's lease is terminated voluntarily or involuntarily before the 24-month period, the funds deposited by SCRHA3 will be forfeited; however, any funds personally deposited by the household will remain the property of the household. SCRHA3 will provide an updated list of additional financial incentives to selected households at the time of enrollment.