

# PHA Name : Everett

**PHA Code :** WA006

**MTW Supplement for PHA Fiscal Year Beginning :** (MM/DD/YYYY): 7/1/2022

**PHA Program Type:** Combined

**MTW Cohort Number:** 2

**MTW Supplement Submission Type:** Annual Submission

## **B. MTW Supplement Narrative.**

Everett Housing Authority's (EHA) MTW application envisioned using MTW flexibility to support three local initiatives that are in alignment with the three MTW statutory objectives as well as with EHA's 10-Year Strategic Plan:

- A streamlining and cost savings initiative
- A resident success initiative, focused on increasing employment, earned income, and self-sufficiency (including the Tiered Rent demonstration)
- A housing choice and mobility initiative

EHA will design and test activities to further these local initiatives over the course of its 20-year term of participation in the MTW program. Proposed changes to policy and program administration, including requests for waivers, that will facilitate MTW demonstration activities will be described in successive MTW Supplements to the PHA Annual Plan. EHA will engage its residents, program participants, community partners, and community residents in the process of developing the MTW Supplement.

In the short term, EHA plans on using the fiscal year beginning July 1, 2022, when our first MTW Supplement will go into effect, to focus on implementing the Tiered Rent study, achieving greater administrative efficiencies across HUD programs, and making the PBV program work better. To that end, the specific MTW waivers that EHA is including in this Supplement will be in support of those efforts.

EHA anticipates that a significant amount of staff effort will be focused on learning, resident outreach, and implementation of the Tiered Rent study during this first year. Streamlining other areas of program administration, such as allowing for self-certification of assets under \$50,000, will enable staff to dedicate more time to the demonstration and to supporting participant households.

As a first step toward implementing the housing choice and mobility initiative, during the first half of 2022, EHA will be partnering with graduate students at the University of Washington's Evans School of Public Policy & Governance who will support EHA in defining and identifying Communities of Opportunity in our operating area. The results of their work will be used over the course of our participation in the MTW demonstration to support voucher holders in moving to opportunity areas as well as to inform future development activities.

In furtherance of the goal to make the PBV program work better, we will be rebalancing issuance of turnover vouchers between households moving from PBV units and households being assisted from the tenant-based waiting list. We will also request a waiver that will address a challenge in our Rental Assistance Demonstration (RAD) PBV units, where households lose their voucher assistance at relatively low income levels due to the low rents, and then are not able to reactivate voucher assistance if they experience an income decrease later on.

All of our efforts will be guided by our vision of Thriving Resident Households and our commitment to engaging residents in the development and implementation of MTW in Everett.

**C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).**

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| <b>1. Tenant Rent Policies</b>  |  |
| b. Tiered Rent (HCV)  | Plan to Implement in the Submission Year |
| s. Elimination of Deduction(s) (HCV)  | Plan to Implement in the Submission Year |
| <b>2. Payment Standards and Rent Reasonableness</b>                         |  |
| d. Rent Reasonableness – Third-Party Requirement (HCV)                      | Plan to Implement in the Submission Year |
| <b>3. Reexaminations</b>  |  |
| b. Alternative Reexamination Schedule for Households (HCV)                  | Plan to Implement in the Submission Year |
| d. Self-Certification of Assets (HCV)                                       | Plan to Implement in the Submission Year |
| <b>4. Landlord Leasing Incentives</b>                                       |  |
| <b>5. Housing Quality Standards (HQS)</b>                                   |  |
| c. Third-Party Requirement (HCV)  | Plan to Implement in the Submission Year |
| <b>6. Short-Term Assistance</b>   |  |
| <b>7. Term-Limited Assistance</b>   |  |
| <b>8. Increase Elderly Age (PH &amp; HCV)</b>                               |  |
| <b>9. Project-Based Voucher Program Flexibilities</b>                       |  |
| <b>10. Family Self-Sufficiency Program with MTW Flexibility</b>             |  |
| <b>11. MTW Self-Sufficiency Program</b>                                     |  |
| <b>12. Work Requirement</b>   |  |
| <b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b> |  |
| <b>14. Moving on Policy</b>   |  |
| <b>15. Acquisition without Prior HUD Approval (PH)</b>                      |  |
| <b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>         |  |
| <b>17. Local, Non-Traditional Activities</b>                                |  |

**C. MTW Activities Plan that Everett Plans to Implement in the Submission Year or Is Currently Implementing**

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| <b>1.b. - Tiered Rent (HCV)</b>  |
| As part of the cohort-specific Rent Reform study, EHA will be comparing a tiered rent policy to the traditional rent policy. Qualifying families will be randomly selected to either pay under the current or tiered rent policy. Under the tiered rent policy, families will pay rent based on a rent schedule within tiers of \$2,500. The rent paid by the family will be based on 28% of the midpoint of the income tier corresponding to the family's income. Income will be calculated based on gross income for the prior 12-month period for existing households, and based on current income for newly-admitted households. |
| This MTW activity serves the following statutory objectives:<br>Cost effectiveness<br>Self-sufficiency   |
| This MTW activity serves the following statutory objectives:<br>Decreased revenue<br>Decreased expenditures  |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households  |
| This MTW activity applies to:<br>New admissions and currently assisted households  |
| An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).<br>The MTW activity applies only to selected family types  |
| This MTW activity applies to the following housing choice voucher unit types: All tenant-based units and project-based voucher properties with participants who are non-elderly, non-disabled, and are not excluded for one of the other reasons listed above.   |

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| N/A - this is a new activity for the agency.   |
| This MTW activity requires a Safe Harbor Waiver.<br>The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).   |
| No hardship were requested in the most recent fiscal year.   |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.  |
| Income bands are in increments of \$2,500 in annual income. Rents are set at 1/12 of 28% of the midpoint of the tier (representing monthly income), except that households with incomes below \$2,500 will pay a minimum rent of \$50.   |
| Please see attached tiered rent policy table that shows the income bands.  |
| The rent will be based on tiers of household income. Please see attached for the table on the tiered rent policy table that shows the income bands.  |
| This activity uses a different definition of income because we are using the following MTW waivers (check all that apply)<br>This activity uses different definition of income because we are using the following MTW waivers:<br>1.r. and/or 1.s. "elimination of deductions" |

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| <b>1.o. - Initial Rent Burden (HCV)</b>  |
| As part of the Rent Reform study, families selected to pay the tiered rent will have their rent calculation based on gross income. The initial rent burden calculation will be based on 40% of gross income, rather than 40% of adjusted income. |
| This MTW activity serves the following statutory objectives:<br>Self-sufficiency   |
| This MTW activity serves the following statutory objectives:<br>Neutral (no cost implications)   |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households                |
| This MTW activity applies to:<br>New admissions and currently assisted households  |
| An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).<br>The MTW activity applies only to selected family types  |
| This MTW activity applies to the following housing choice voucher unit types: All tenant-based and project-based units occupied by families who are part of the Rent Reform demonstration and paying rent under the tiered rent policy.          |
| N/A  |
| No hardship were requested in the most recent fiscal year.   |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.  |
| This MTW activity requires an Impact Analysis. The Impact Analysis is attached.  |
| Maximum income-based rent percentage 40.00%  |

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| <b>1.s. - Elimination of Deduction(s) (HCV)</b>  |
| As part of the Rent Reform demonstration, families who are selected to pay rent under the tiered rent policy will have their rent calculated using gross income from the prior 12 months (except that new admissions to the program will have their rent calculated using current gross income). |
| This MTW activity serves the following statutory objectives:<br>Cost effectiveness<br>Self-sufficiency   |

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| This MTW activity serves the following statutory objectives:<br>Increased revenue  |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households  |
| This MTW activity applies to:<br>New admissions and currently assisted households  |
| An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).<br>The MTW activity applies only to selected family types  |
| This MTW activity applies to the following housing choice voucher unit types: All tenant-based and project-based units occupied by families participating in the Rent Reform demonstration and who are selected to pay rent under the tiered rent policy.  |
| N/A  |
| This MTW activity requires a Hardship Policy. The Hardship Policy is attached.   |
| Attached Hardship policy applies to: 1.s. - Elimination of Deduction(s) (HCV)<br>3.b. - Alternative Reexamination Schedule for Households (HCV)}   |
| No hardship were requested in the most recent fiscal year.   |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.  |
| This MTW activity requires an Impact Analysis. The Impact Analysis is attached.  |
| The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:<br>1.s. - Elimination of Deduction(s) (HCV)<br>3.b. - Alternative Reexamination Schedule for Households (HCV)  |
| Following deduction(s) will be eliminated, modified, or added.<br>Dependent allowance<br>Unreimbursed childcare costs<br>Other (please explain)<br>All deductions, including the dependent allowance and deduction for unreimbursed childcare costs, will be eliminated for families who are part of the Rent Reform demonstration and selected to pay rent under the tiered rent policy, as the rent for the demonstration is based on gross income. Families who would experience a significant rent increase from the loss of these deductions will be able to request a hardship adjustment to their rent calculation. |

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| <b>2.c. - Rent Reasonableness – Process (HCV)</b>   |
| No hardship were requested in the most recent fiscal year.  |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending. |
| Following method is used to determine rent reasonableness and the motivations for using a method different from the standard method:  |

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| <b>2.d. - Rent Reasonableness – Third-Party Requirement (HCV)</b>  |
| EHA will use MTW flexibility to eliminate the requirement for a third party to conduct rent reasonableness on EHA-owned or EHA-controlled units assisted with project-based or tenant-based vouchers. EHA currently has a third party determine rent reasonableness on EHA units, despite the fact that many of these units are subject to rent restrictions due to other funding sources such as RAD PBV rent restrictions. EHA incurs cost and additional staff time to have these determinations done by a third party. This waiver is part of EHA’s overall goals to use MTW flexibility to streamline and reduce costs. |
| This MTW activity serves the following statutory objectives:<br>Cost effectiveness   |

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| This MTW activity serves the following statutory objectives:<br>Decreased expenditures  |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households   |
| This MTW activity applies to:<br>New admissions and currently assisted households   |
| An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).<br>The MTW activity applies to all family types   |
| This MTW activity applies to the following housing choice voucher unit types: Units owned or controlled by EHA.   |
| N/A   |
| No hardship were requested in the most recent fiscal year.  |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.   |
| Following will explain quality assurance method:<br>EHA's reasonable process will include using rent comparables generated by the third party company AffordableHousing.com to identify comparable units. Rent reasonableness determinations will be performed by an EHA staff person who is trained on HCV and PBV rent reasonableness regulations. EHA will implement a streamlined process for units where the requested rent is demonstrably below market because the unit participates in a funding program, such as units with RAD rents. EHA will have a random sample of rent reasonableness determinations that EHA conducts for our own units reviewed by a third party annually as a further quality assurance measure. The third party will be a HUD-approved entity (EHA currently has HUD approval to use another local housing authority and a contracted inspector for inspections of EHA-owned units). and attached for quality assurance method |
| Following will explain rent reasonableness determination method:<br>EHA uses the third party company AffordableHousing.com (formerly GoSection8) to generate rent comparables for the HCV and PBV programs. The AffordableHousing.com software generates at least 3 unassisted rent comparables for the subject unit, matching the unit characteristics and making adjustments based on unit-specific factors, similar to the approach used by property appraisers, and determines if the owner's requested rent is reasonable. An EHA staff person who is knowledgeable about HCV and PBV rent reasonableness regulations reviews the comparables to confirm that they are comparable to the subject unit. and attached for rent reasonableness determination method   |

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| <b>3.b. - Alternative Reexamination Schedule for Households (HCV)</b>   |
| Families who are part of the Rent Reform demonstration and are selected to pay rent under the tiered rent policy will be placed on a triennial (every 3 years) reexamination schedule. The anticipated outcome from this change is that families will have an incentive to increase their earned income between reexaminations, as they will get to keep 100% of their additional earnings, instead of having to pay 30% of their additional earnings toward rent at the time of their next interim or annual reexamination as applicable. This is also anticipated to decrease the staff time required to complete annual and interim reexaminations, although the benefit will be moderated by the need to provide hardship exemptions for some families. |
| This MTW activity serves the following statutory objectives:<br>Cost effectiveness<br>Self-sufficiency  |
| This MTW activity serves the following statutory objectives:<br>Decreased revenue<br>Decreased expenditures   |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households   |
| This MTW activity applies to:<br>New admissions and currently assisted households   |
| An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).<br>The MTW activity applies only to selected family types   |
| This MTW activity applies to the following housing choice voucher unit types: Tenant-based and project-based voucher  |

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| units occupied by families who are participating in the Rent Reform demonstration and are selected to pay rent under the tiered rent policy.   |
| N/A  |
| This MTW activity requires a Safe Harbor Waiver.<br>The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).   |
| This MTW activity requires a Hardship Policy. The Hardship Policy is attached.   |
| Attached Hardship policy applies to: 1.s. - Elimination of Deduction(s) (HCV)<br>3.b. - Alternative Reexamination Schedule for Households (HCV)}   |
| No hardship were requested in the most recent fiscal year.   |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.  |
| This MTW activity requires an Impact Analysis. The Impact Analysis is attached.  |
| The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:<br>1.s. - Elimination of Deduction(s) (HCV)<br>3.b. - Alternative Reexamination Schedule for Households (HCV)  |
| Recertification Schedule is Once every three years   |
| Household may request 0 interim recertifications per year.   |
| In accordance with the policies established for the Rent Reform demonstration, families who are selected to pay under the tiered rent policy will have their income reexamined every 3 years. If the family experiences a decrease in income that would place the family in a lower rent tier, in lieu of an interim reexamination, the family can request a hardship rent. The hardship rent will be provided for up to 12 months and if the hardship persists, the family can request one or more renewals, up until their next triennial reexamination. |

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| <b>3.d. - Self-Certification of Assets (HCV)</b>  |
| EHA will allow participants to self-certify assets of less than \$50,000 upon reexamination. This will contribute to our streamlining initiative, as a significant amount of staff time goes to requesting and collecting verification documents for assets that have a negligible to no impact on the amount of HAP that the agency pays. It will also benefit assisted families by decreasing the amount of paperwork required. |
| This MTW activity serves the following statutory objectives:<br>Cost effectiveness  |
| This MTW activity serves the following statutory objectives:<br>Neutral (no cost implications)  |
| An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households   |
| N/A   |
| No hardship were requested in the most recent fiscal year.  |
| In the prior year, under this activity, Everett MTW agency<br>Received 0 hardship requests<br>Approved hardship requests<br>Denied hardship requests<br>There is\are hardship requests pending.   |
| The dollar threshold for the self-certification of assets is \$50,000.  |

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| <b>5.c. - Third-Party Requirement (HCV)</b>   |
| EHA will be allowed to complete HQS inspections on units that it owns. This will contribute to our streamlining and cost savings initiative, as EHA currently expends significant resources coordinating and paying third-party inspectors to complete HQS inspections on units that the agency owns or controls. EHA has a significant portfolio of PBV-assisted units as well as several unsubsidized properties that may be occupied with tenant-based voucher holders. EHA currently pays an independent entity to complete these inspections, which are in addition to regular inspections that EHA staff complete as well as inspections by other public funders such as the Washington State Housing Finance Commission, since most of these properties have other public funding. |

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| <p>This MTW activity serves the following statutory objectives:<br/>Cost effectiveness</p>   |
| <p>This MTW activity serves the following statutory objectives:<br/>Decreased expenditures</p>   |
| <p>An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households</p>   |
| <p>This MTW activity applies to:<br/>New admissions and currently assisted households</p>  |
| <p>An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other).<br/>The MTW activity applies to all family types</p>  |
| <p>This MTW activity applies to the following housing choice voucher unit types: Project-based voucher units and units occupied by EHA tenant-based voucher participants who live in units owned or controlled/operated by EHA.</p>  |
| <p>N/A</p>   |
| <p>No hardship were requested in the most recent fiscal year.</p>  |
| <p>In the prior year, under this activity, Everett MTW agency<br/>Received 0 hardship requests<br/>Approved hardship requests<br/>Denied hardship requests<br/>There is\are hardship requests pending.</p>   |
| <p>The quality assurance method:<br/>Following will explain the quality assurance method – EHA will continue to inspect units to the HQS standard found at 24 CFR 982.401, or the current standard required by HUD, and any staff conducting inspections will be trained on the HQS standard. A random sample of EHA-owned or controlled units that have been inspected by an EHA staff person will be selected for a quality control inspection by a third party. In addition, the majority of EHA-owned units with voucher assistance are also assisted with other public funding such as low-income housing tax credits, State, and or local funding which requires regular physical inspections and will provide an additional level of quality assurance. Participants will be able to request an interim inspection. EHA will obtain the services of a third-party entity to determine if PHA-owned units pass HQS, upon the request of HUD.<br/>If [Upload file] options- Display 'Attached for quality assurance method"</p> |

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| <b>D.</b>  | <b>Safe Harbor Waivers.</b>  |
| <b>D.1</b> | <b>Safe Harbor Waivers seeking HUD Approval:</b><br>Please see attached for Safe Harbor Waivers requested this year. |

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| <b>E.</b>  | <b>Agency-Specific Waiver(s).</b>   |
| <b>E.1</b> | <b>Agency-Specific Waiver(s) for HUD Approval:</b><br><br>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, Agency-Specific Waivers may be requested.<br><br>Please see attached for Agency-Specific Waiver(s) requested this year. |
| <b>E.2</b> | <b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b><br>MTW Agency does not have approved Agency-Specific Waivers   |

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| <b>F.</b>  | <b>Public Housing Operating Subsidy Grant Reporting.</b>   |
| <b>F.1</b> | Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency. |

| <b>Federal Fiscal Year (FFY)</b> | <b>Total Operating Subsidy Authorized Amount</b> | <b>How Much PHA Disbursed by the 9/30 Reporting Period</b> | <b>Remaining Not Yet Disbursed</b> | <b>Deadline</b> |
|----------------------------------|--|--|------------------------------------|-----------------|
|----------------------------------|--|--|------------------------------------|-----------------|

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| <b>G.</b>  | <b>MTW Statutory Requirements.</b>  |   |
| <b>G.1</b> | <b>75% Very Low Income – Local, Non-Traditional.</b><br>HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households. |   |
|            | <b>Income Level</b>   | <b>Number of Local, Non-Traditional Households Admitted in the Fiscal Year*</b> |
|            | 80%-50% Area Median Income  | 0   |
|            | 49%-30% Area Median Income  | 0   |
|            | Below 30% Area Median Income  | 0   |
|            | <b>Total Local, Non-Traditional Households</b>  | <b>0</b>  |

\*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

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| <b>G.2</b>   | <b>Establishing Reasonable Rent Policy.</b> |
| MTW agency established a rent reform policy to encourage employment and self-sufficiency |   |

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| <b>G.3</b>  | <b>Substantially the Same (STS) – Local, Non-Traditional.</b> |  |
| The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.              | # of unit months  |  |
| The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year. | # of unit months  |  |

**Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:**

| PROPERTY NAME/ ADDRESS | 0/1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6+ BR | TOTAL UNITS | POPULATION TYPE* | if 'Population Type' is Other | # of Section 504 Accessible (Mobility)** | # of Section 504 Accessible (Hearing/ Vision) | Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year? | What was the Total Amount of MTW Funds Invested into the Property? |
|------------------------|--------|------|------|------|------|-------|-------------|------------------|-------------------------------|--|---|---|--|
|------------------------|--------|------|------|------|------|-------|-------------|------------------|-------------------------------|--|---|---|--|

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| <b>G.4</b>  | <b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b> |
| To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table. |  |

| Family Size: | Occupied Number of Local, Non-Traditional units by Household Size |
|--------------|---|
| 1 Person     | 0   |
| 2 Person     | 0   |
| 3 Person     | 0   |
| 4 Person     | 0   |
| 5 Person     | 0   |
| 6+ Person    | 0   |
| Totals       | <b>0</b>  |

| H. | Public Comment  |
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|    | Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments. |
|    | No additional public hearing was held for an Agency-Specific Waiver and/or Safe Harbor waiver   |

| I. | Evaluations.  |
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|    | Yes - This table lists evaluations of Everett's MTW activities, including the names of evaluators and available reports |

**Table I.1 - Evaluations of MTW Policies**

| Title and short description  | Evaluator name and contact information       | Time period                        | Reports available |
|--|--|------------------------------------|-------------------|
| Stepped and Tiered Rent Demonstration. EHA's participation in the second cohort of the MTW Expansion will evaluate alternative rent policies designed to increase resident self-sufficiency and reduce PHA administrative burdens. EHA will be studying a Tiered Rent model. An independent research team lead by MDRC will work with HUD, EHA, and the other selected PHAs to assist in implementation and evaluate the effects of the alternative rent policy. | James Riccio, MDRC.<br>James.Riccio@mdrc.org | July 1, 2022 through June 30, 2028 |                   |

**Everett Housing Authority  
Tiered Rent Table**

| <b>Rent Tier</b> | <b>Tier Annual Gross Income Minimum</b> | <b>Tier Annual Gross Income Maximum</b> | <b>Tiered Rent (Tenant/Participant Cost for Rent + Utility Allowance)</b> |
|------------------|---|---|---|
| 1                | \$0                                     | \$2,499                                 | \$50  |
| 2                | \$2,500                                 | \$4,999                                 | \$87  |
| 3                | \$5,000                                 | \$7,499                                 | \$146   |
| 4                | \$7,500                                 | \$9,999                                 | \$204   |
| 5                | \$10,000                                | \$12,499                                | \$262   |
| 6                | \$12,500                                | \$14,999                                | \$321   |
| 7                | \$15,000                                | \$17,499                                | \$379   |
| 8                | \$17,500                                | \$19,999                                | \$437   |
| 9                | \$20,000                                | \$22,499                                | \$496   |
| 10               | \$22,500                                | \$24,999                                | \$554   |
| 11               | \$25,000                                | \$27,499                                | \$612   |
| 12               | \$27,500                                | \$29,999                                | \$671   |
| 13               | \$30,000                                | \$32,499                                | \$729   |
| 14               | \$32,500                                | \$34,999                                | \$787   |
| 15               | \$35,000                                | \$37,499                                | \$846   |
| 16               | \$37,500                                | \$39,999                                | \$904   |
| 17               | \$40,000                                | \$42,499                                | \$962   |
| 18               | \$42,500                                | \$44,999                                | \$1,021   |
| 19               | \$45,000                                | \$47,499                                | \$1,079   |
| 20               | \$47,500                                | \$49,999                                | \$1,137   |
| 21               | \$50,000                                | \$52,499                                | \$1,196   |
| 22               | \$52,500                                | \$54,999                                | \$1,254   |
| 23               | \$55,000                                | \$57,499                                | \$1,312   |
| 24               | \$57,500                                | \$59,999                                | \$1,371   |
| 25               | \$60,000                                | \$62,499                                | \$1,429   |
| 26               | \$62,500                                | \$64,999                                | \$1,487   |
| 27               | \$65,000                                | \$67,499                                | \$1,546   |
| 28               | \$67,500                                | \$69,999                                | \$1,604   |
| 29               | \$70,000                                | \$72,499                                | \$1,662   |
| 30               | \$72,500                                | \$74,999                                | \$1,721   |
| 31               | \$75,000                                | \$77,499                                | \$1,779   |
| 32               | \$77,500                                | \$79,999                                | \$1,837   |
| 33               | \$80,000                                | \$82,499                                | \$1,896   |
| 34               | \$82,500                                | \$84,999                                | \$1,954   |
| 35               | \$85,000                                | \$87,499                                | \$2,012   |
| 36               | \$87,500                                | \$89,999                                | \$2,071   |
| 37               | \$90,000                                | \$92,499                                | \$2,129   |
| 38               | \$92,500                                | \$94,999                                | \$2,187   |

| [Continued from Previous Page] |   |   |   |
|--------------------------------|---|---|---|
| <b>Rent Tier</b>               | <b>Tier Annual Gross Income Minimum</b> | <b>Tier Annual Gross Income Maximum</b> | <b>Tiered Rent (Tenant/Participant Cost for Rent + Utility Allowance)</b> |
| <b>39</b>                      | \$95,000                                | \$97,499                                | \$2,246   |
| <b>40</b>                      | \$97,500                                | \$99,999                                | \$2,304   |
| <b>41</b>                      | \$100,000                               | \$102,499                               | \$2,362   |
| <b>42</b>                      | \$102,500                               | \$104,999                               | \$2,421   |
| <b>43</b>                      | \$105,000                               | \$107,499                               | \$2,479   |
| <b>44</b>                      | \$107,500                               | \$109,999                               | \$2,537   |
| <b>45</b>                      | \$110,000                               | \$112,499                               | \$2,596   |
| <b>46</b>                      | \$112,500                               | \$114,999                               | \$2,654   |
| <b>47</b>                      | \$115,000                               | \$117,499                               | \$2,712   |

*The 2021 Median Family Income for the Seattle-Bellevue Metropolitan Area, as determined by HUD, is \$115,700, which is partway through Rent Tier 47.*



Service  
Integrity  
Respect  
Community  
Leadership  
Wisdom  
Creativity

## Hardship Policy for Tiered Rent Study

### *What is a Hardship Exemption?*

The Tiered Rent policy is intended to benefit assisted households by allowing them to increase their income without an immediate increase in their total tenant payment (TTP). Households will have an income examination every three years, and in between the triennial reexaminations their TTP will not increase. In addition, their TTP will not increase even at a triennial reexamination unless their income rises into a higher tier. However, some households may need a hardship exemption to avoid negative consequences of the tiered rent. A hardship exemption is a temporary rent that is lower than the family's assigned Tiered Rent.

There are several situations for which a family in the Tiered Rent group can receive a hardship exemption. Some are automatic based on the information the family submits to EHA at the time of their reexamination, and some will require the family to report information to EHA between reexaminations.

### *What Does EHA Consider a Hardship?*

EHA considers the following situations to be hardships:

1. For automatic hardships, at time of triennial reexamination:
  - a) Your family qualifies for a large exemption under the traditional rent policy due to having 4 or more dependents at the time of your triennial reexamination.
  - b) Your family qualifies for a large exemption under the traditional rent policy due to have unreimbursed child/dependent care expenses over \$2,500 at the time of your triennial reexamination.
  - c) Your family has had a loss of income and the 12-month period used to calculate your new rent at your recertification does not reflect your current income
  
2. For hardships requested by the family, which can be requested at any time:
  - a) Your family has a loss of income that would drop the family into a lower rent tier than the one that you are currently in
  - b) Your family experiences a new or increased unreimbursed child/dependent care expense of over \$2,500 per year/\$209 per month
  - c) Your family has 4 or more dependents due to additions to the household between triennial reexaminations
  - d) Your family faces another unexpected situation, such as the death of a family member or a major medical expense, and requires temporary rent relief to avoid eviction for non-payment of rent or a similar situation

To qualify for a hardship exemption, you must:

- Be following all program rules and regulations
- Not owe EHA any money, or if you do owe money, you have a repayment agreement in place and you are current on your payments

### ***What Help Can I Get Under the Hardship Policy?***

If your hardship request is approved, your temporary new rent will be lower than the assigned tiered rent.

- For child care expenses, the family will be placed in the rent tier that matches their income after deducting any unreimbursed child care expenses.
- For families with 4 or more dependents, the family's rent will be reduced by one tier from the tier that corresponds to their income.
- For family-requested hardships, the temporary rent will be based on the rent tier that corresponds to the family's reduced income, or based on the rent tier that corresponds to the family's income after deducting any extraordinary expenses.

### ***How Long Will My Reduced Rent Last?***

The hardship rent is temporary and will last between 1 and 12 months. EHA will work with you to determine how long the hardship rent should last, based on your family's circumstances, including how long you expect to have a lower income.

Generally, automatic hardships due to child care expenses over \$2,500 and/or having 4 or more dependents will be approved for 12 months, and the family can request additional renewals as long as the circumstance leading to the hardship (child care expenses, 4 or more dependents) will continue.

For family-requested hardships, the hardship rent will generally be granted for:

- 6 months if the hardship is expected to last for 6 months or less
- 9 months if the hardship is expected to last between 6 and 9 months
- 12 months if the hardship is expected to last for more than 9 months

The family can request extensions of the hardship rent prior to its expiration if the circumstance requiring the hardship rent continues.

If a household is approved for a hardship, they are not required to report subsequent income increases during the period of their approved hardship. Once the PHA approves a hardship, the hardship will not end early.

### ***How Do I Request a Hardship Exemption?***

EHA will remind you of this Hardship Policy during the intake and reexamination processes.

EHA will provide automatic hardship exemptions based on the information you provide at your triennial recertification.

You will be able to request a hardship exemption at any time between triennial recertifications. The application process will be done via RENTCafé and will be similar to the current process for requesting an interim review when you have a change of circumstance. You will be required to provide supporting documentation to verify your hardship.

EHA will also consider if you qualify for a hardship exemption at the time of a potential termination of assistance related to the Tiered Rent policy.

#### ***How Will EHA Review My Hardship Request?***

All family-initiated hardship requests will be reviewed by a staff supervisor to ensure consistency in the review process. When a family requests a hardship exemption, EHA will implement the hardship rent beginning the first of the month following the family's request. EHA will strive to review hardship requests within 10 business days of receiving a request and all documentation needed to process the request. EHA will prioritize requests where the family is on the verge of eviction or similar consequences.

#### ***What Happens if EHA Does Not Approve My Hardship Request?***

If your hardship request is not approved, or if you think that you should have received an automatic hardship and you did not, you will be able to appeal EHA's determination of your monthly rent.

If your appeal is denied, you will be able to request an informal hearing to review the determination of your monthly rent. Informal hearings are conducted by EHA's Hearing Officer.

#### ***What Happens When My Hardship Expires?***

You can request a renewal of your hardship rent if it is expiring and your family continues to experience a hardship.

Once the hardship rent and any extensions expire, your rent will return to the tiered rent assigned at your most recent triennial recertification until your next triennial recertification is completed or unless you are approved for a new hardship.

**Everett Housing Authority  
MTW Tiered Rent Impact Analysis**

|   |   |
|---|---|
| <b>MTW Activities Covered by Impact Analysis</b>  | <p>1.b. Tiered Rent (HCV)<br/> 1.s. Elimination of Deductions (HCV)<br/> 3.b. Alternative Reexamination Schedule for Households (HCV)</p> |
| <b>1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b>   |   |
| <p>The estimated average change in total tenant payment (TTP)/rent paid by families under the tiered rent policy as compared with the current policy is -\$8. Aggregating this average across the approximately 460 families estimated to be in the tiered rent group generates a modest increase in HAP costs to the agency of about \$44,000 per year.</p> <p>It is also possible that families in the tiered rent group will increase their incomes between triennial reexaminations, resulting in higher HAP expenditures for these families than would have been spent under the current rent policy due to not capturing HAP savings from income increases. However, it is difficult to estimate the difference between the HAP that would have been paid under the current rent policy compared with the new rent policy over time. The rent reform demonstration should provide a new source of data for EHA, HUD, and other PHAs on the costs and benefits of triennial reexaminations.</p>  |   |
| <b>2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)</b>  |   |
| <p>As noted above, the estimated average change in TTP/rent across all families in the tiered rent group is -\$8. 70% of families in the tiered rent group are expected to see either no change in their TTP/rent, or a decrease in their rent.</p> <p>About half (49%) of families are expected to see a rent decrease under the tiered rent policy. 21% are expected to see no change. 30% are expected to see a rent increase; however only 5% of households will see a rent increase of \$50 or more.</p> <p>Families who experience a rent increase under the tiered rent policy will have the ability to request a hardship exemption to mitigate the impact of the policy. 41% of families expected to have a rent increase have 4 or more dependents and another 14% have child care expense or other deductions that exceed \$2,500.</p> <p>All families who are expected to see an increase of \$50 or more will likely qualify for either the child care expense hardship or the hardship for 4 or more dependents which will reduce or eliminate any rent increase they experience.</p> |   |
| <b>3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</b>  |   |
| <p>It is possible that a small number of families who are part of the tiered rent group could increase their income between triennial reexaminations to such a level that they would continue to receive HAP assistance for longer than they would under the current policy, if their income increases enough for them to afford the full rent. However, the impact on turnover is expected to be very small within the overall scope of EHA's program size.</p>  |   |

**4. 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)**

No expected impact

**5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

No expected impact

**6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

The Tiered Rent demonstration is expected to have a positive impact on EHA's ability to meet the statutory goals of cost effectiveness and self-sufficiency. Moving to triennial reexaminations and eliminating deductions, combined with some of the other streamlining waivers EHA plans to request, is expected to reduce staff time associated with annual reexaminations; however, this will be somewhat mitigated by the time spent review hardship requests.

Not requiring families to report income increases between triennial reexaminations is expected to provide an incentive for families to increase their earned income since they will be able to keep more of their earned income between reexaminations, which will contribute to the MTW statutory goal of self-sufficiency.

Because the tiered rent calculation will use gross instead of adjusted income, EHA will also calculate the initial family share using gross instead of adjusted income. In other words, at initial occupancy, tenant-based voucher participants will now be able to lease a unit with rent plus utility costs equal to 40% of their gross, rather than adjusted, income. This could have a modest benefit to families in increasing their housing choice, especially families with significant deductions.

**7. Impact on the agency's ability to meet the MTW statutory requirements**

No expected impact

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

Families who are selected to pay tiered rent are anticipated to request a higher number of hardships than under the current rent policy, as a result of the loss of deductions and interim reviews. Families who have a significant number of dependents, and/or families who have significant unreimbursed child care expenses, are expected to be the most likely to receive hardship exemptions.

Based on EHA's analysis, about 172 households, or about 19% of households eligible for the rent study, currently have 4 or more dependents and/or have unreimbursed child care expenses of \$2,500 or more. Since half of these families are likely to be in the control group, they will not need to request a hardship.

An additional number of households who are part of the tiered rent group and who experience a loss of income between triennial reexaminations may request hardship exemptions, but this number is difficult to estimate. EHA intends to track hardship requests to determine the impact of the policy on participant families and on staff time spent processing hardship requests.

**9. Across the other factors above, the impact on protected classes (and any associated disparate impact)**

Families with children will experience the largest impact from the loss of deductions, as elderly and disabled households are excluded from the tiered rent demonstration. EHA will mitigate this impact by providing hardship rent reductions for families with 4 or more dependents and families with unreimbursed child care expenses of \$2,500 or more.

Families with Asian, Black/African American, and Native Hawaiian/Pacific Islander heads of household are more likely to have 4 or more dependents than families with White or American Indian/Alaska Native heads of household.

Families with White and Asian heads of household, Black/African American heads of household, and White heads of household are more likely to have child care expenses exceeding \$2,500 compared with all other racial groups.

Assisting families with 4 or more dependents and child care expenses exceeding \$2,500 via the hardship policy will address the disparate impact of the loss of these deductions on these groups.

**Everett Housing Authority**  
**Safe Harbor MTW Waiver – 1b. Tiered Rent**  
**July 1, 2022, to June 30, 2022**

**a) Applicable MTW Waiver and Activity**

Everett Housing Authority (EHA) is requesting Safe Harbor waiver for the following MTW activity:

| <b>MTW Waiver</b>           | <b>Description</b>  |
|-----------------------------|---|
| <b>Tenant Rent Policies</b> |   |
| 1.b. Tiered Rent (HCV)      | The agency may implement changes to the TTP calculation to create a system based upon income bands. |

**b) Specific Safe Harbor and Implementing Regulation**

**Statutes and Regulations Waived:** Certain provisions of sections 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.628.

**Safe Harbors:**

- i. Rents and/or TTP (as applicable) established under this system must be set using the lowest income in each band. For example, if an income band is \$2,500 - \$5,000 then the rent for that band must be set using \$2,500.
- ii. The agency must adopt a flat rent and/or TTP (as applicable) policy within each income band instead of calculating rent based on adjusted or gross income.

**c) Proposed MTW Activity Being Implemented**

The standard MTW waiver provides that when a tiered rent is adopted, TTP/rent is based on the income at the bottom of the tier. For example, if an income band is \$2,500 to \$4,999, then the rent for the band must be set using \$2,500.

Instead, EHA will establish TTP/rent at 28% of the midpoint of the tier.

**d) Description of Why Safe Harbor Waiver is Required to Implement MTW Activity**

EHA is requesting this Safe Harbor waiver in connection with its participation in the Rent Reform demonstration. This waiver will apply to households who are eligible for the Rent Reform demonstration and selected to pay rent under the Tiered Rent policy. The study design requires EHA and the other demonstration sites to set tenant TTP/rent for Tiered Rent households at 28% of the midpoint of the tier instead of the bottom of the tier as specified in the standard 1.b. waiver.

For recertifications, income used to identify the household's rent tier is calculated retroactively. The recertifications will occur triennially, rather than annually. Households do not report income increases between recertifications. A hardship policy will be available for households who face rent burden as a result of an income decrease or other adverse circumstances.

**e) Impact Analysis**

The impact analysis for this safe harbor waiver is incorporated into the overall impact analysis for the Tiered Rent policy.

**f) Hardship Policy**

The hardship policy for this safe harbor waiver is incorporated into the overall hardship policy for the Tiered Rent policy.

**g) Public Comments**

Information about the Safe Harbor and Agency-Specific Waivers meeting and other public and resident meetings held in connection with EHA's FY 2022 MTW Supplement can be found in the Public Comments document.

Information about EHA's analysis of the comments and how comments were considered can be found in the Agency Analysis Comments document.

**Everett Housing Authority**  
**Safe Harbor MTW Waiver – 3b. Reexamination Schedule**  
**July 1, 2022, to June 30, 2022**

**a) Applicable MTW Waiver and Activity**

Everett Housing Authority (EHA) is requesting Safe Harbor waiver for the following MTW activity:

| <b>MTW Waiver</b>  | <b>Description</b>   |
|--|--|
| <b>Reexaminations</b>  |  |
| 3.b. Alternative Reexamination Schedule for Households (HCV) | The agency may establish an alternative reexamination schedule for households. |

**b) Specific Safe Harbor and Implementing Regulation**

**Statutes and Regulations Waived:** Certain provisions of sections 8(o)(5) of the 1937 Act and 24 CFR 982.516(a)(1) and 982.516(c)(2).

**Safe Harbors:**

- 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.

**c) Proposed MTW Activity Being Implemented**

The standard MTW waiver provides that when the reexamination schedule is adjusted, 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.

Rather than providing an interim reexamination once per year if the household has a decrease in gross income of 10% or more as specified in the standard 3.b. waiver, EHA will offer a hardship policy that allows households to request a hardship rent if they experience a decrease in gross income that drops the household into a lower rent tier.

**d) Description of Why Safe Harbor Waiver is Required to Implement MTW Activity**

EHA is requesting this Safe Harbor waiver in connection with its participation in the Rent Reform demonstration. This waiver will apply to households who are eligible for the Rent Reform demonstration and selected to pay rent under the Tiered Rent policy. The study design requires EHA and the other demonstration sites to conduct a reexamination of each Tiered Rent household's income every three years (triennially).

This waiver will provide administrative relief to EHA by decreasing the frequency of reexaminations, while providing households with the hardship policy as a way to get rent relief if they experience a decrease in income.

**e) Impact Analysis**

The impact analysis for this safe harbor waiver is incorporated into the overall impact analysis for the Tiered Rent policy.

**f) Hardship Policy**

The hardship policy for this safe harbor waiver is incorporated into the overall hardship policy for the Tiered Rent policy.

**g) Public Comments**

Information about the Safe Harbor and Agency-Specific Waivers meeting and other public and resident meetings held in connection with EHA's FY 2022 MTW Supplement can be found in the Public Comments document.

Information about EHA's analysis of the comments and how comments were considered can be found in the Agency Analysis Comments document.

**Everett Housing Authority**  
**Agency-Specific MTW Waiver 1:**  
**Modify Prioritization for Tenant-Based Voucher Assistance**  
**July 1, 2022, to June 30, 2022**

**Core Waiver Questions**

|  |
|--|
| <p><b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b></p>  |
| <p>EHA is proposing a waiver of the regulations at 24 CFR 983.261, which requires EHA to give tenants who have lived in a project-based voucher (PBV) unit the next available opportunity for tenant-based assistance.</p> <p>Instead, EHA is proposing to implement a policy of providing one voucher to assist someone from the tenant-based waiting list for each voucher given to a tenant moving out of a PBV unit.</p> <p>This waiver, along with the other PBV-related agency-specific waiver that EHA is requesting, are initial steps that EHA is taking to make the PBV program work better in Everett. EHA has a significant portfolio of PBV units, including RAD PBV and regular PBV units owned by EHA, as well as PBV contracts at properties not owned by EHA.</p> <p>EHA has identified several challenges with the current regulation at 24 CFR 983.261, including a large and growing list of PBV households who are waiting on vouchers that requires staff time to administer, no turnover on EHA's waiting list except for special purpose vouchers like Mainstream and Non-Elderly Disabled, and impacts on vacancy at specific properties when EHA has a larger number of vouchers available to issue to PBV tenants on the tenant-based voucher interest list. EHA has also seen that the success rate among PBV households leasing with a tenant-based voucher is around 30%, which is much lower than the success for tenant-based voucher households.</p> <p>This initial change, as well as future changes, are expected to contribute to the MTW statutory goals of cost effectiveness and housing choice.</p> |
| <p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p>  |
| <p>Cost effectiveness</p> <p>Housing choice</p>  |
| <p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p>  |
| <p>Decreased expenditures</p>  |
| <p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p>  |
| <p>The MTW activities applies to a subset of assisted households.</p>  |

|   |
|---|
| <b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>                                |
| New admissions (from the EHA waiting list) and currently assisted households in PBV units who have requested to move with tenant-based assistance.  |
| <b>Does the MTW activity apply to all family types or only to selected family types?</b>  |
| The MTW activity applies to all family types.   |
| <b>Please select the family types subject to this MTW activity.</b>   |
| All family types.   |
| <b>If Other Selected in Previous Question: Please describe this target population.</b>  |
| N/A   |
| <b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>  |
| The MTW activity applies to properties with project-based vouchers.   |
| <b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b>  |
| All properties with project-based vouchers.   |
| <b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> |
| N/A – new activity  |

### Implementation Timeline for Waiver

- April 2022: MTW Supplement Submitted to HUD
- June 2022: EHA Board approves updates to HCV Administrative Plan incorporating the waiver, subject to HUD approval of MTW Supplement
- July 1, 2022: Waiver goes into effect

### Impact Analysis

|  |
|--|
| <b>1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b>  |
| This MTW activity is expected to have a modest financial benefit to EHA, due to decreasing turnover in PBV units owned or operated by EHA, which will decrease staffing costs for unit turns and processing new PBV applicants for replacement tenants, as well as materials associated with unit turns. |
| <b>2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)</b>   |

|   |
|---|
| No expected impact  |
| <b>3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</b>  |
| This MTW activity is expected to decrease the amount of time that families spend on the regular tenant-based voucher waiting list, by ensuring that 50% of available turnover vouchers are given to households on the regular tenant-based waiting list. Historically, EHA has not been able to offer vouchers to families from the regular waiting list for several years, except for special targeted vouchers like Mainstream and Non-Elderly Disabled.                |
| This activity is expected to increase the amount of time that households spend on the PBV interest list.  |
| <b>4. 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)</b>  |
| No expected impact  |
| <b>5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>  |
| This MTW activity is expected to have a positive impact on the utilization rate in the HCV program, because historically, PBV households issued tenant-based vouchers have had a much lower leasing success rate than families who are being assisted directly from the tenant-based waiting list, and also because it is expected to lower turnover in PBV units, which can take 1-2 months or longer to refill when they become vacant.                                 |
| <b>6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>  |
| This MTW activity is expected to positively impact the goals of cost effectiveness and housing choice.  |
| It will contribute to cost effectiveness by decreasing unit turn costs in PBV units and increasing utilization in the overall HCV program. It will also contribute to housing choice by ensuring that households on the tenant-based waiting list, who are overwhelmingly extremely low-income and either cost-burdened or literally homeless, have the same opportunity to receive tenant-based voucher assistance as households who are already assisted in a PBV unit. |
| <b>7. Impact on the agency's ability to meet the MTW statutory requirements</b>   |
| No expected impact  |
| <b>8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity</b>  |
| Little to no expected impact. EHA has not been able to issue vouchers to households on the PBV interest list since 2019, and during that time has already been processing requests for tenant-based assistance as reasonable accommodations or related to protections under the Violence Against Women Act from households living in PBV units, and will continue to process these requests.  |
| <b>9. Across the other factors above, the impact on protected classes (and any associated disparate impact)</b>   |
| No expected impact  |

## **Hardship Policy**

EHA will continue to maintain an interest list for PBV households to request tenant-based assistance based on the date and time of the request once the household has lived in their PBV unit for at least 12 months.

Households will continue to be able to request immediate tenant-based assistance or a move to another PBV unit as a reasonable accommodation for a disability or related to protections for victims of domestic violence under the Violence Against Women Act. EHA will review such requests in accordance with EHA's Housing Choice Voucher Administrative Plan and its ADA Section 504 Plan.

Households living in a wrong-sized PBV unit will continue to be offered either PBV assistance in an appropriately sized unit, or tenant-based voucher assistance, in accordance with Chapter 17 of EHA's Housing Choice Voucher Administrative Plan.

## **Comments Received at Public Hearing**

EHA did not receive specific comments on this agency-specific waiver during its public outreach. Detailed information about the public meetings held in conjunction with EHA's FY 2022 MTW Supplement can be found in the Public Comment attachment to the MTW Supplement.

**Everett Housing Authority**  
**Agency-Specific MTW Waiver 2:**  
**Allow Residents of RAD PBV Units to Resume PBV Assistance**  
**After Loss of Subsidy and Subsequent Income Decrease**  
**July 1, 2022, to June 30, 2022**

**Core Waiver Questions**

Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.

EHA is proposing to waive the requirement that after 180 days receiving zero HAP, a household living in an EHA RAD PBV unit can continue to occupy the unit but loses their voucher assistance and cannot regain voucher assistance unless they get on the regular waiting list. **The unit will continue to be part of the RAD PBV HAP contract.**

Instead, EHA is proposing that these families will be able to request to have their voucher assistance reinstated if they have a subsequent decrease in income that would qualify them for voucher assistance in their PBV unit again. This waiver was identified based on feedback from both staff at RAD PBV properties and residents of RAD PBV properties who provided feedback to EHA on our MTW planning efforts.

Because EHA’s RAD PBV rents are significantly below market (the rents at all three RAD PBV properties are less than half of EHA’s voucher payment standard), and are thus affordable to households with modest incomes, households are reaching zero HAP well before they have an income that would allow them to be considered self-sufficient and afford market rents. If the household has a subsequent income decrease, they are no longer able to pay the rent and are at risk of incurring significant debt to the housing authority or losing their housing due to nonpayment of rent.

| <b>Bakerview and Grandview</b> | <b>Current RAD Rent</b> | <b>EHA Payment Standard (PS)</b> | <b>RAD Rent as a % of PS</b> |
|--------------------------------|-------------------------|----------------------------------|------------------------------|
| Studio                         | \$579                   | \$1,465                          | 40%                          |
| 1 BR                           | \$661                   | \$1,567                          | 42%                          |
| 2 BR                           | \$637                   | \$1,890                          | 34%                          |
| 3 BR                           | \$852                   | \$2,694                          | 32%                          |
| 4 BR                           | \$1,042                 | \$3,172                          | 33%                          |
| 6 BR                           | \$1,355                 | \$4,123                          | 33%                          |

| <b>Pineview</b> | <b>Current RAD Rent</b> | <b>EHA Payment Standard (PS)</b> | <b>RAD Rent as a % of PS</b> |
|-----------------|-------------------------|----------------------------------|------------------------------|
| 2 BR            | \$616                   | \$1,890                          | 33%                          |
| 3 BR            | \$871                   | \$2,694                          | 32%                          |
| 4 BR            | \$1,064                 | \$3,172                          | 34%                          |

The current policy provides a disincentive for households to seek to increase their earned income above the point where the household no longer receives HAP, which is much lower than for regular PBV and HCV units, since the RAD rents are below market. If they are not able to retain that level of income for more than 180 days, they will not have the safety net of the voucher available.

It also presents a financial risk to the agency that the household will not be able to pay the rent if they lose their voucher assistance and are not able to afford the rent without the voucher. EHA incurs significant costs and typically does not recover lost rent when a tenant is not able to pay the rent, and the tenant is then at risk of homelessness.

**Which of the MTW statutory objectives does this MTW activity serve?**

Cost effectiveness and self-sufficiency.

**What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.**

Decreased expenses.

**Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?**

The MTW activities applies to a subset of assisted households – those living in EHA RAD PBV housing.

**Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?**

Currently assisted households

**Does the MTW activity apply to all family types or only to selected family types?**

The MTW activity applies to all family types.

**Please select the family types subject to this MTW activity.**

All family types.

**If Other Selected in Previous Question: Please describe this target population.**

N/A

**Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?**

The MTW activity applies to properties with project-based vouchers.

**Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.**

This MTW activity applies to EHA RAD PBV units.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A – new activity

### Implementation Timeline for Waiver

- April 2022: MTW Supplement Submitted to HUD
- June 2022: EHA Board approves updates to HCV Administrative Plan incorporating the waiver, subject to HUD approval of MTW Supplement
- July 1, 2022: Waiver goes into effect

### Impact Analysis

#### 1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)

EHA anticipates little to no cost to administer this, as it will only affect a subset of RAD PBV tenants. EHA currently operates 332 RAD PBV units, across three sites: Bakerview (serving elderly and disabled tenants), Grandview (serving families), and Pineview (serving families). Of these, only a subset will likely qualify for the waiver based on income changes over time.

#### 2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)

This will increase affordability for the small number of affected families who lose their voucher assistance due to an increase in their income and subsequently need the voucher assistance again while living in their RAD PBV unit.

#### 3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)

This policy could slightly increase the amount of time that families are on the waiting list, because a household in a RAD PBV unit would receive a voucher which may otherwise have gone to a family on the waiting list.

#### 4. 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)

While this policy will not impact the termination rate of families, it has the potential to reduce the number of tenants who are evicted or have other adverse impacts due to their inability to pay rent.

#### 5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program

No expected impact

#### 6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice

This MTW activity will have a positive impact on the MTW statutory goal of self-sufficiency by providing tenants in RAD PBV units with a safety net that may encourage them to increase their earned income. It will also have a modest positive impact on the MTW statutory goal of cost effectiveness as it will decrease

the lost revenue or expenses associated with a tenant not paying their rent, and the eviction and collections processes.

**7. Impact on the agency’s ability to meet the MTW statutory requirements**

It is possible that some households who benefit from this waiver will be above the extremely low-income limit. However, given the small number of households who will likely benefit from this waiver relative to EHA’s overall voucher program size, it should not measurably impact EHA’s ability to meet the statutory requirements.

**8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity**

EHA expects only a handful of requests under this waiver annually, and even fewer that will require an informal review if their request for assistance is denied.

**9. Across the other factors above, the impact on protected classes (and any associated disparate impact)**

Since a significant number of EHA’s RAD PBV units are larger units that serve families, EHA anticipates a positive impact on families with children. Some of EHA’s RAD PBV units also serve elderly and disabled households; although most of these households are on fixed incomes and are unlikely to have significant changes in their incomes or to lose their assistance due to zero HAP.

**Hardship Policy**

Because this waiver is a benefit to existing assisted households living in RAD PBV units, EHA does not believe a specific hardship policy for this waiver is warranted.

However, households requesting to reinstate their PBV assistance as a result of this waiver will be able to request an informal review of the housing authority’s decision to deny assistance in accordance with Chapter 16 of EHA’s Housing Choice Voucher Administrative Plan if their application to reinstate RAD PBV assistance is denied, just as others who are denied voucher assistance can.

**Comments Received at Public Hearing**

EHA did not receive specific comments on this agency-specific waiver during its public outreach. However, EHA’s MTW Advisory Committee, which is made up of residents and voucher program participants, identified the challenge of only having 6 months after going to zero HAP before losing voucher assistance as a barrier to long-term employment and self-sufficiency.

Detailed information about the public meetings held in conjunction with EHA’s FY 2022 MTW Supplement can be found in the Public Comment attachment to the MTW Supplement.

**Everett Housing Authority**  
**Agency-Specific MTW Waiver 3:**  
**Modify Income Verification Hierarchy for Reexaminations**  
**July 1, 2022, to June 30, 2022**

**Core Waiver Questions**

**Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.**

EHA is proposing a waiver to the verification hierarchy found in PIH Notice 2018-18, “Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System”, which lists the hierarchy of verification techniques for verifying income. EHA is only proposing to use this modified hierarchy for *reexaminations*.

A comparison of the current hierarchy to EHA’s proposed hierarchy can be found below. The revised hierarchy eliminates the use of the written third-party verification form and puts tenant declaration (*declaration form attached*) ahead of oral third-party verification.

This waiver contributes to EHA’s streamlining and cost savings initiative under MTW, by decreasing the time and complexity of the income reexamination process. This is expected to be especially beneficial for households who are part of the tiered rent group of the rent reform demonstration, since EHA will be calculating retrospective income, which should be available in EIV for most of the time period and most income sources. However, EHA’s experience with the use of tenant declarations during the COVID-19 pandemic has found this to be a useful tool, particularly for verifying income changes such as job losses.

| PIH Notice 2018-18 |   |   | EHA MTW Proposed Hierarchy |   |                     |
|--------------------|---|---|----------------------------|---|---------------------|
| Level              | Verification Technique  | Ranking   | Level                      | Verification Technique  | Ranking             |
| 6                  | Enterprise Income Verification (EIV) and Income Validation Tool (IVT) | Highest (Mandatory)   | 6                          | Enterprise Income Verification (EIV) and Income Validation Tool (IVT) | Highest (Mandatory) |
| 5                  | Upfront Income Verification (UIV) using non-HUD system                | Highest (Optional)  | 5                          | Upfront Income Verification (UIV) using non-HUD system                | Highest (Optional)  |
| 4                  | Written Third Party Verification                                      | High  | 4                          | Written Third Party Verification                                      | High                |
| 3                  | Written Third Party Verification Form                                 | Medium-Low  | 3                          | Tenant Declaration  | Medium              |
| 2                  | Oral Third-Party Verification   | Low (Mandatory if written third party verification is not available)                  | 2                          | Written Third Party Verification Form                                 | Medium-Low          |
| 1                  | Tenant Declaration  | Low (Use as a last resort when unable to obtain any type of third-party verification) | 1                          | Oral Third-Party Verification   | Low                 |

|   |
|---|
| <b>Which of the MTW statutory objectives does this MTW activity serve?</b>  |
| Cost effectiveness  |
| <b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>  |
| Decreased expenditures  |
| <b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>  |
| The MTW activities applies to all assisted households.  |
| <b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>                                |
| New admissions (after their initial income certification) and currently assisted households.  |
| <b>Does the MTW activity apply to all family types or only to selected family types?</b>  |
| The MTW activity applies to all family types.   |
| <b>Please select the family types subject to this MTW activity.</b>   |
| All family types.   |
| <b>If Other Selected in Previous Question: Please describe this target population.</b>  |
| N/A   |
| <b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>  |
| The MTW activity applies to all tenant-based units and all properties with project-based vouchers.  |
| <b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b>  |
| All.  |
| <b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> |
| N/A – new activity  |

### Implementation Timeline for Waiver

- April 2022: MTW Supplement Submitted to HUD
- June 2022: EHA Board approves updates to HCV Administrative Plan incorporating the waiver, subject to HUD approval of MTW Supplement
- July 1, 2022: Waiver goes into effect

## Impact Analysis

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| <b>1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b>  |
| EHA estimates a modest decrease in staff time spent verifying certain income sources; however, it is difficult to quantify at this time. This is not expected to have an impact on the agency's per-family contribution. |
| <b>2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)</b>   |
| No expected impact   |
| <b>3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</b>   |
| No expected impact   |
| <b>4. 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)</b>   |
| No expected impact   |
| <b>5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>   |
| No expected impact   |
| <b>6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>   |
| This MTW activity is expected to positively impact EHA's ability to meet the statutory goal of cost effectiveness by decreasing the staff time spent verifying income sources at reexamination.                          |
| <b>7. Impact on the agency's ability to meet the MTW statutory requirements</b>  |
| No expected impact   |
| <b>8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity</b>   |
| No expected impact as this is an administrative efficiency change that should not require a hardship exemption.  |
| <b>9. Across the other factors above, the impact on protected classes (and any associated disparate impact)</b>  |
| No expected impact   |

## Hardship Policy

This is an administrative efficiency that should not require assisted families to request a hardship exemption.

However, families retain their right to request an informal hearing to contest a determination of the family's income, and the use of such income to compute the housing assistance payment, in accordance with Chapter 16 of EHA's Housing Choice Voucher Administrative Plan.

### **Comments Received at Public Hearing**

EHA did not receive specific comments on this agency-specific waiver during its public outreach. Detailed information about the public meetings held in conjunction with EHA's FY 2022 MTW Supplement can be found in the Public Comment attachment to the MTW Supplement.



**Everett Housing Authority  
Agency-Specific MTW Waiver 4:  
Modify Discrepancy Threshold for Income Verifications  
July 1, 2022, to June 30, 2022**

**Core Waiver Questions**

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| <b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>  |
| <p>EHA is proposing a modification of the procedure in PIH Notice 2018-18 to increase the threshold for a discrepancy between the information in EIV or the Income Verification Tool (IVT) report and the family's reported income from \$2,400 to \$4,800.</p> <p>This waiver contributes to EHA's streamlining and cost savings initiative under MTW, by decreasing the time spent investigating income discrepancies identified using EIV or IVT information.</p> <p>Currently, due to EHA's policy of only counting income increases from new sources of income at interim reviews, most discrepancies identified do not have an impact on the family's housing assistance. EHA anticipates that, due to the new method of calculating income and rent for households in the tiered rent policy group, the amount of "false positive" income discrepancies identified will only increase for those households. This waiver will mitigate the impact of the new rent policy.</p> |
| <b>Which of the MTW statutory objectives does this MTW activity serve?</b>  |
| Cost effectiveness  |
| <b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>  |
| Decreased expenditures  |
| <b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>  |
| The MTW activities applies to all assisted households   |
| <b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>  |
| Both new admissions and currently assisted households   |
| <b>Does the MTW activity apply to all family types or only to selected family types?</b>  |
| The MTW activity applies to all family types.   |
| <b>Please select the family types subject to this MTW activity.</b>   |
| All family types.   |
| <b>If Other Selected in Previous Question: Please describe this target population.</b>  |

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|---|
| N/A   |
| <b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>  |
| The MTW activity applies to all HCV tenant-based units and properties with project-based vouchers   |
| <b>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</b>  |
| All tenant-based units and properties with project-based vouchers.  |
| <b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b> |
| N/A – new activity  |

### Implementation Timeline for Waiver

- April 2022: MTW Supplement Submitted to HUD
- June 2022: EHA Board approves updates to HCV Administrative Plan incorporating the waiver, subject to HUD approval of MTW Supplement
- July 1, 2022: Waiver goes into effect

### Impact Analysis

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| <b>1. Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b>   |
| This MTW activity is expected to have a modest financial benefit to EHA, due to decreasing the amount of staff time spent investigating and resolving discrepancies, most of which are found to have no impact on the housing assistance payment. |
| <b>2. Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)</b>  |
| No expected impact  |
| <b>3. Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</b>  |
| No expected impact  |
| <b>4. 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)</b>  |
| No expected impact  |
| <b>5. Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>  |
| No expected impact  |

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| <b>6. Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b> |
| This MTW activity is expected to positively impact the goal of cost effectiveness.                                 |
| <b>7. Impact on the agency's ability to meet the MTW statutory requirements</b>                                    |
| No expected impact   |
| <b>8. Impact on the rate of hardship requests and the number granted and denied as a result of this activity</b>   |
| No expected impact   |
| <b>9. Across the other factors above, the impact on protected classes (and any associated disparate impact)</b>    |
| No expected impact   |

### **Hardship Policy**

This is an administrative efficiency that should not require assisted families to request a hardship exemption.

However, families retain their right to request an informal hearing to contest a determination of the family's income, and the use of such income to compute the housing assistance payment, in accordance with Chapter 16 of EHA's Housing Choice Voucher Administrative Plan.

Families who have a HAP overpayment as a result of an income discrepancy can request a repayment agreement with EHA in accordance with Chapter 16 of EHA's Housing Choice Voucher Administrative Plan.

### **Comments Received at Public Hearing**

EHA did not receive specific comments on this agency-specific waiver during its public outreach. Detailed information about the public meetings held in conjunction with EHA's FY 2022 MTW Supplement can be found in the Public Comment attachment to the MTW Supplement.