

IMPACT ANALYSIS – ACTIVITY 2023-02: PBV Contract Rent Increases

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

Individual Project-Based Voucher (PBV) Contracts have differing contract dates which burdens the administration both in terms of time and other resources to keep track of these dates. By consolidating rent increase reviews to happen only once a year during a specific period, this activity will increase efficiency and reduce costs associated with monitoring these contracts. The timing of the increase in HAP costs and total tenant payment for the first year will be affected for the contracts. Approximately 150 units have an anniversary date prior to July 1 and 220 units have an anniversary date after July 1. The AHA would work with PBV owners to align the contract rent increase requests for 2024 to July 1. Most of the 150 units due an increase in the beginning of the year are owned by affiliates of the AHA, so increases may be delayed by a couple months. The other 220 contracted units will have a rent increase earlier in the year in 2024. The HAP increase for these units would be offset in part by the delay in increases for the other units.

FACTOR 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)

Under the PBV program, participants pay the same amount after a rent increase as before a rent increase because total tenant payment is based on the family’s income and not the rent for the unit, so this activity will not have an impact on affordability of housing costs for families.

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

This would not affect the agency’s waitlist.

FACTOR 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)

This would not affect the agency’s terminations rate of families.

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

This would not affect the utilization rate in the HCV program as the increase in rent would happen regularly under the contract, so due to the savings in some rents (see Factor 1), the utilization rate for expenditure of HAP would not be greatly affected.

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

This would meet the statutory goal of cost effectiveness as staff could work more efficiently to process PBV contract rent increases when all units are affected at the same time and workflow can be aligned for staff to be able to process all rent increases in a timely manner for over 500 units which is approximately 30% of the entire program.

FACTOR 7: Impact on the agency's ability to meet the MTW statutory requirements

a) Very Low-Income Requirement

AHA will be able to meet this requirement since this activity does not pertain to new admissions.

b) Reasonable Rent Policy

AHA will be able to meet this requirement since this activity would not have an effect on the family's calculation of total tenant payment.

c) Substantially the Same Requirement

AHA will be able to meet this requirement since this activity would not significantly increase payments.

d) Comparable Mix Requirement

AHA will be able to meet this requirement since this activity would not affect family size because the activity relates to rent increases and not admissions of families.

e) Housing Quality Standards (HQS)

AHA will be able to meet this requirement since this activity would not affect the HQS and all units will be expected to be upkept in accordance with HQS.

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

This should not result in hardship requests since the timing of the rent increase will not impact the family's contribution.

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

The results of multiple chi-squared tests of independence found no statistically significant relationship between the contract date for rent increases and the protected classes of age, sex, ethnicity, race, or familial status. Since these protected classes were found to be independent of the contract date for rent increases there will be no impact on these protected classes.

There was a significant relationship between the protected class of disability and the contract date for rent increases since about 72% of families with a head of household (HOH) with a disability have contract dates that are before the July 1 cutoff. This means that families with a HOH with a disability are disproportionately in the before-cutoff group. The timing of a rent increase does not affect the payment of the family, therefore, there would be no disparate impact on this protected class since they will not experience any significant change as a result of this activity.