

IMPACT ANALYSIS – ACTIVITY 2023-04: Blended Subsidies or Contribution to Development Costs in Faircloth-to-RAD Conversions

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)

This activity will increase the funding for which the agency is eligible for from the Department of Housing and Urban Development (HUD) by allowing the agency to access the funding associated with the Faircloth Limit by making a Faircloth-to-RAD conversion feasible.

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)

This activity will have no effect on housing costs for affected families as it would not change the family's contribution towards the rent as the MTW activity would add subsidy to raise the rents earned by the owner on the Faircloth unit, but not change the subsidy of the family as calculated under the rules of the conversion.

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

It is anticipated at this time, that this activity would not have an effect on the agency's wait lists.

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 activity should have no impact on the agency's termination of families

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

This activity would have no impact on the utilization rate in the HCV program as new funding normally comes with provisions to allow for a leasing of the new funding.

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

This activity would meet the statutory goal of housing choice as it would allow more housing options for families.

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

a) Very Low-Income Requirement

This activity will have no effect on this requirement as it will not change the eligibility for assistance.

b) Reasonable Rent Policy

This does not affect the family's calculation of total tenant payment under the Housing Choice Voucher program.

c) Substantially the Same Requirement

It is anticipated that this activity will not interfere with the AHA's ability to meet this requirement.

d) Comparable Mix Requirement

The AHA will monitor families housed under this activity to ensure that the comparable mix requirement is met.

e) Housing Quality Standards (HQS)

The units would have to continue to meet the HQS standards, so this statutory requirement would be met.

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

This activity will have no effect on the rate of hardship requests as it does not impact the total tenant payments.

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

associated disparate impact)

At this time, it is not possible to calculate whether a protected class may experience a disparate impact by this activity. Before the activity is implemented, studies will be conducted to determine the best use of MTW funding in conjunction with a Faircloth-to-RAD conversion. It is not possible to get data on the average characteristics of tax credit wait lists and a wait list of the units has not been determined as it depends on the structure of the deal and the funding sources involved.

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