

ACTIVITY 2022-12: Payment Standard Increases

The payment standard would be changed at an owner requested rent increase if the change would result in an increase in payment standard to the family. For families where the payment standard would decrease, the same procedures would remain in place (at next annual for family composition change or second annual if an FMR drop).

Waive: 24 CFR 982.505 (c) (4)

This MTW activity serves the following statutory objectives:

- ☐ Cost effectiveness
- ☒ Self-sufficiency
- ☒ Housing Choice

This initiative achieves one or more of the 3 MTW above statutory objectives by:

Allowing families to retain more savings when owners increase the rent within payment standard limits and allowing families to remain in units where the market allows for a rent increase between the family's regular reexamination.

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- ☐ to all assisted households
- ☒ only to a subset or subsets of assisted households

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- ☐ New admissions (i.e., applicants) only
- ☒ Currently assisted households only
- ☐ New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

- ☒ all family types
- ☐ only to selected family types

An MTW activity can apply to a tenant-based and or project-based voucher.

- ☒ The MTW activity applies to all tenant-based units.
- ☐ The MTW activity applies to all properties with project-based vouchers.
- ☐ The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

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This MTW activity has the following cost implications:

- ☐ Neutral
- ☐ Increased revenue
- ☐ Decreased revenue
- ☒ Increased expenditures
- ☐ Decreased expenditures

The implementation timeline for the initiative is:

Upon approval of MTW Supplement, approval of revised Administrative Plan and training of staff.

This MTW activity does require an impact analysis.

IMPACT ANALYSIS – 2022-12 Payment Standard 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)

In conjunction with the activity of changing a family's regular reexamination to once every three years rather than annually, this activity will result in a smaller savings than would be achieved by the decrease in annual activity alone. By moving families to regular reexaminations of every three years versus every year, the families will not receive the benefit of increased payment standards in the interim two years resulting in lower Housing Assistance Payments (HAP) to landlords if the gross rent is at or above the payment standard.

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)

By increasing the family's payment standard to the higher payment standard at rent increases, the family's portion of rent under rent increases will be decreased if the rent increase results in a rent higher than the lower payment standard.

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

Most of the applicants drawn off the waitlist are to replace households or to raise lease-up rates due to underspent HAP. There would be fewer HAP dollars to allow for an increase in lease-up, but the number of replacement families would not significantly change.

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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)

There would not be an impact on the termination 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 increase the HAP utilization rate of the AHA as the AHA could pay more in HAP for currently assisted families and this could incentivize landlords to continue to rent units to voucher participants as the AHA is paying a higher amount.

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

This would increase housing choice by keeping a family in the same unit as the rents increase and make the unit unaffordable.

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

a) Very Low-Income Requirement

The agency would still be able to meet this requirement as this activity would not impact the selection of applicants.

b) Reasonable Rent Policy

This activity does not affect the family's calculation of total tenant payment to encourage employment and self-sufficiency. It would decrease the family's share of rent to owner in many cases, allowing the family to have income for other purposes like saving or paying for education classes.

c) Substantially the Same Requirement

The AHA is currently carrying a HAP surplus, so increasing HAP payments on behalf of families is possible. The AHA will need to monitor the increased HAP expenditures to ensure that resources are available to continue to assist the same number of families.

d) Comparable Mix Requirement

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This activity would have no effect on the number of household members in families, so would meet this statutory requirement.

e) Housing Quality Standards (HQS)

The units would continue to have 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 should not result in an increase of hardship requests as the participants would be receiving an increased HAP payment.

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

As there is a statistical relationship between the bedroom size in which families are housed and the protected classes of race, disability, age, and family status, the payment standard will be increased for all bedroom sizes at a rent increase to avoid a disparate impact to any protected class.

This MTW activity does not require a hardship policy.

See Section H for a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered. No comments were received specific to this waiver request.