

ACTIVITY 2023-02: Project-Based Voucher Contract Rent Increases

All rent increases for Project-Based Voucher units would be increased once a year at the AHA's fiscal year (effective July 1) rather than the contract's anniversary date.

Waive: 24 CFR 983.302 (b) (2)

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:

Allows staff to bundle these rent increases once a year to efficiently determine rent reasonableness and ensure notice requirements were met in a timely manner rather than stagger rent increase determinations throughout the year.

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

Please select the family types subject to this MTW activity:

☐ Non-elderly, non-disabled families

☐ Elderly families

☐ Disabled families (to the extent those families are not exempt via a reasonable accommodation)

☐ Other – another specifically defined target population or populations. The description of this population is:

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

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- ☐ 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:

This MTW activity has the following cost implications:

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

The implementation timeline for the initiative is:
July 1, 2024

This MTW activity does require an impact analysis.

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)

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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

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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

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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.

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.