

ACTIVITY 2023-05: Flexible Subsidy Standards in Project-Based Voucher Admissions

The same subsidy standards as the Housing Choice Voucher will apply to the Project-Based Voucher program except in the following situations: 1) as allowed under activity 2022-12 in the FY2023 MTW Supplement (if approved); 2) when other funding is tied to the unit; and 3) for larger units.

When PBV assistance is attached to units developed or rehabilitated with other state or locally administered affordable housing funds, the occupancy standards applicable to those other programs may differ from the subsidy standard used for the PBV program. This creates certain circumstances whereby a family of a particular size or composition, will qualify for a specific unit that was developed with Tax Credit (LIHTC) or HOME program funding, but is not eligible for PBV assistance in that same sized unit. In this case, the family may select to be housed under the standard HCV subsidy standard or may select a smaller unit than the HCV subsidy standard would allow if a smaller unit is available. The family may not select a unit that would lead to an over-crowded unit under the Housing Quality Standards.

AHA also may allow reasonable exceptions for a PBV program if the exception is justified by lack of eligible families to lease larger units (such as four-bedroom units or larger unit sizes). If the unit is being filled by owner referrals, the PBV owner must first contact the AHA to see if it has eligible families on a wait list. If the AHA cannot provide referrals with enough family members, then the PBV owner must certify that a diligent effort to conduct outreach and select eligible families to fill these unit sizes was made and no eligible families were found. This exception may allow the family size to be one less than the minimum number of persons for larger unit sizes. If the AHA does not have enough families on its wait lists for larger units, it must show that all families of the proper number of family members that applied during the last wait list opening were placed on the wait list for that unit size. If that has happened, then the AHA may also refer families for larger units that do not meet the HCV subsidy standards. These families should be pulled from the next smaller bedroom size on the same wait list. If there were larger families that applied during the last wait list opening that were not placed on the wait list, the AHA may decide to reopen the list or go back to the applicants who were not placed on the wait list and place them on the wait list. (The last wait list opening should be within the 3-years for the second option.)

Waive 24 CFR 982.402.

This MTW activity serves the following statutory objectives:

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

This MTW activity has the following cost implications:

- ☒ Neutral

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- ☐ Increased revenue
- ☐ Decreased revenue
- ☐ Increased expenditures
- ☐ Decreased expenditures

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

If previous questions is subset.

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

If above questions is subset.

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:

If above questions is subset.

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 does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does require an impact analysis.
<p>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)</p> <p>This activity will not have an impact on the agency's finances. The Project-Based Voucher (PBV) units are under a long-term contract, so allowing families the choice to move into a slightly smaller or slightly larger unit will not have a great impact on Housing Assistance Payments (HAP). Staff would need to determine eligibility for the units, so this would not impact staff processing time.</p> <p>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)</p> <p>This activity does not affect the family's total tenant payment, so will not have an impact on affordability of housing costs.</p> <p>FACTOR 3: Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>This activity will make more families eligible for units, so this may slightly increase the wait times for some families on the wait list. For example, in the past, a family with three members would have been ineligible for a 1-bedroom unit, so the family would have been removed and another family would be considered for the unit. Under this activity, this 3-person family would be eligible, so the second family will experience an increased wait time. However, some families that would have been ineligible for units in the past, will now be eligible and will experience shorter wait times or now be housed rather than denied.</p> <p>It will also result in less families being removed from some wait lists due to family composition issues.</p>

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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)

This activity may slightly decrease the termination rate of families as it would allow the Authority to keep larger families in a smaller unit rather than the family having a voucher issued that might expire before a suitable unit is found.

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

This activity would not have a great impact on the agency's utilization rate as the PBV units would be filled with families eligible under the current subsidy standard. By being able to fill units with a larger number of families, this activity may have a minimal impact on HAP utilization as vacancy times may decrease if the delay was on identifying an eligible family and not the owner preparing the unit for a new family.

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

This activity will meet the MTW statutory goal of housing choice as it would provide families with more housing options to choose from and be housed in.

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 change the income requirements of the programs.

b) Reasonable Rent Policy

This does not affect the family's calculation of total tenant payment.

c) Substantially the Same Requirement

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This does not affect the Substantially the Same Requirement as the PBV units would be filled without this activity.

d) Comparable Mix Requirement

This activity should not affect family size by more than 10%, but the agency will need to monitor this requirement. Families will be offered the correct sized unit but could select a smaller unit which might over time shift the mix slightly upwards. Most families, however, would prefer a larger unit if it is available.

Ten-person families to fill 5-bedroom units are becoming more difficult to find. During the agency's last wait list opening, the agency placed all households that qualified for a 5-bedroom unit, based on the number of family members, on the wait list without a random selection because so few families qualified for the larger units. This opening was completed prior to the agency obtaining MTW status. Using the metric of families with 6 or more family members, then the second part of this activity would not impact this family size as the differences will be between 8- and 9- person households or 6-or 7-person households.

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 would not result in hardship requests as does not affect the HAP or total tenant payment.

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

This activity would remove a disparate impact that the current subsidy standards have on families with children and households where the sole member needs a live-in aide due to a disability. The activity would align

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the right of a family with an adult and minor child to select the same bedroom size as a family with two adults. It would also allow a family needing a live-in aide more housing choice by allowing the selection of a smaller unit size while still allowing the family the option to select the larger unit size.
The impact analysis does not apply to more than this MTW activity.
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.

