

Section III. Proposed MTW Activities

PROPOSED AMENDMENTS

The Agency is proposing amendments to one existing MTW activity.

FY2021-2: Limiting increases in rents

Background: The local rent market has seen unprecedented impacts from the ongoing pandemic. As a result, the Agency has reviewed this activity and determined that an increase from 3% to 5% will balance out the priority to protect clients from large rent increases with the need to support voucher holders in being competitive tenants in the rental market.

Proposed amendment: The Agency is proposing to amend the current activity to adjust the maximum rent increase from 3% to no more than 5%. In addition, the Agency is seeking to limit the number of rental increase requests to one per year.

A. ACTIVITY DESCRIPTION

i. Describe the proposed activity.

The Agency is proposing to use its MTW flexibility to limit voucher contract rent increases to no more than 3%, in order to prevent terminations or evictions, and maintain a constant and predictable tenant rent. The Agency arrived at 3% by conducting a historical rent increase analysis. This activity will be sunsetted after 24 months, or sooner, if the national funding situation improves, and the agency is able to meet MTW requirements of serving substantially the same number of households.

Activity Overview

Recent weeks have seen historic levels of unemployment claims in San Antonio and throughout the country. SAHA has seen a spike in reports of loss of income from residents. At the same time, landlords are seeking to increase rents. The agency is concerned this will negatively impact tenants as SAHA may cover part of the increase (up to the payment standard) but tenants more than likely will receive an increase in their rent portion.

ii. Describe how the proposed activity will achieve one or more of the three statutory objectives and the specific impacts on that statutory objective(s).

This activity is designed to increase housing choices for low-income families who might be experiencing a loss of income or other economic hardship, and are unable to pay additional rent.

iii. Provide the anticipated schedule for implementing the proposed activity.

This proposed activity would be ready for implementation July 1, 2020, pending HUD approval.

B. ACTIVITY METRICS INFORMATION

HUD Standard Metrics

HC #4: Displacement Prevention



Unit of Measurement	Baseline	Benchmark
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	Households losing assistance/moving prior to implementation of the activity (number).	Expected households losing assistance/moving after implementation of the activity (number).
# of households losing assistance due to non-payment of rent	# of households who lost assistance due to non-payment of rent in FY2020 (12-month avg?)	# of households who lost assistance due to non-payment of rent in FY2021 (12-month avg?)
Avg variation in rent, lease over lease [goal: Maintain client's tenant rent constant]	Avg tenant rent in FY2020 (TBD)	Avg tenant rent in FY2021 (TBD)

C. COST IMPLICATIONS

i. State whether the proposed activity will result in any cost implications (positive and/or negative) for the MTW PHA.

The agency anticipates, based on a sampling of requests for rental increases submitted in March, a monthly savings of \$118,642 in HAP and \$64,844 in rent portions for tenants.

The agency anticipates, based on a sampling of requests for rental increases, a monthly increase of \$8 in HAP and \$9 in tenant portion per household account as a result of amending the maximum increase from 3% to 5%.

D. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

Explanation <i>Explain why the cited authorization(s) is needed to engage in the proposed activity.</i>	Attachment C Authorization <i>Cite the authorization(s) detailed in Attachment C and/or D of the Standard MTW Agreement (or applicable successor section in future iterations of the MTW Agreement) that gives the MTW PHA flexibility to conduct the proposed activity.</i>
NEW REQUESTED WAIVERS	
Rent Policies: Allows the Agency to determine tenant rent and related policies.	Section D.2. HCV Rent Policies and Term Limits. a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ



	<p>from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency’s Annual MTW Plan;</p> <p>b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency’s Annual MTW Plan</p>
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E. RENT REFORM INFORMATION

HUD defines “rent reform” as any change to how rent/tenant share is calculated for a household that would not be allowable absent the MTW activity. Any MTW activity that an MTW PHA enacts that alters the rent calculation (the amount a household contributes towards their housing costs) would be considered a type of rent reform. The following information must be provided for all rent reform activities. In addition, any MTW activity that seeks to adopt a term limit in the public housing program must include information on items (ii)-(iv).

Not considered a rent reform activity.



The Agency is proposing one new MTW activity.

FY2022-1: SAHA Partnerships Providing Basic Needs for Residents Through Income Exclusions

The Agency is proposing to use its MTW flexibility to support current long-term strategies for ensuring SAHA residents have access to basic needs such as sufficient food, water, and clothing in addition to safe, quality, affordable housing.

Background: San Antonio faced an unprecedented, historic and dangerous winter storm dropping temperatures to the single digits and leaving the city in blankets of snow that continues to affect millions throughout the state, including thousands of SAHA residents. From February 19th through the present day, the agency has received an outpouring of support from the community, elected officials, businesses and the greater San Antonio community with assistance. Community leaders delivered blankets, hot meals and water to SAHA residents. In total, more than 3,000 hot meals were delivered and more than 40,000 bottles of water were distributed to SAHA elderly residents, disabled residents and families.

While this outpouring has been truly amazing, the Agency recognizes that this support is needed on an ongoing basis and SAHA and its partners must work together to meet residents' needs. As the Agency continues to take immediate actions in response to the devastating impact of the ongoing pandemic and the recent winter storm, the Agency is also prioritizing long-term outcomes as part of its rolling five-year strategic plan. The Agency is seeking to expand partnerships to develop innovative solutions that meet the needs of those we serve and who are most vulnerable to the circumstances.

A. ACTIVITY DESCRIPTION

i. Describe the proposed activity.

This activity establishes an alternative policy that excludes contributions in the household's annual income calculation. Specifically, contributions received directly by the household from a SAHA partner or contributions distributed to a household on behalf of a SAHA partner will not be included in the households annual income for purposes of calculating rent.

Contributions covered by this policy include regular monetary and nonmonetary contributions or gifts provided by SAHA partners. Examples include: (i) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (ii) cash or other liquid assets, and (iii) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Contributions not covered by this policy include any regular monetary and nonmonetary contributions or gifts from persons not residing in the household, including from organizations not officially partnered with SAHA.



ii. Describe how the proposed activity will achieve one or more of the three statutory objectives and the specific impacts on that statutory objective(s).

This activity is designed to meet the statutory objective of increasing housing choices. In addition, this activity is in alignment with the Agency’s strategic outcome to pursue partnerships that result in SAHA residents having access to basic non-housing needs such as sufficient food, water, and clothing. By excluding these contributions from the annual income, SAHA clients will be able to receive additional local support and not have their housing assistance negatively impacted.

iii. Provide the anticipated schedule for implementing the proposed activity.

This activity is planned to be implemented on October 1, 2021 with one established partner.

B. ACTIVITY METRICS INFORMATION

HUD Standard Metrics

HC #7: Households Assisted by Services that Increase Housing Choice		
Unit of Measurement	Baseline	Benchmark
Number of households receiving services aimed to increase housing choice (increase).	Households receiving this type of service prior to implementation of the activity (number). This number may be zero.	Expected number of households receiving these services after implementation of the activity (number).
Number of households receiving contributions from a SAHA partner	0 households receiving services	Estimated 1,500 served monthly or 18,000 served annually for food assistance (this may include one household being served multiple months)

CE #4: Increase in Resources Leveraged		
Unit of Measurement	Baseline	Benchmark
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars). This number may be zero.	Expected amount leveraged after implementation of the activity (in dollars).
Total amount leveraged from SAHA partners for SAHA clients across cash and non-cash contributions	0 resourced leveraged	Estimated \$700,000 leveraged annually for food assistance

Data Source: This will be tracked through the Agency’s Case Management Software as well as through various data sharing agreements with partners.

*As the Agency enters in to new partnerships, the indicators will be updated accordingly

C. COST IMPLICATIONS

i. State whether the proposed activity will result in any cost implications (positive and/or negative) for the MTW PHA.

The Agency is not expecting to incur additional costs as a result of this activity. Because the new partnerships will yield new cash and non-cash contributions for SAHA residents, the cost



implication is the unrealized financial benefit of lower HAP expenses and higher PH rental revenue as a result of projected increases in household income. The Agency is committed to ensuring partner contributions do not increase household rent share. The Agency’s current budgeting process does not include these projected decreases in HAP expenses and increases in PH rental revenue as a result of household increased income.

ii. If the proposed activity does result in cost implications, provide an estimate of the amount and discuss how the MTW PHA will manage the surplus or deficit anticipated.

Not Applicable.

D. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

i. Cite the authorization(s) detailed in Attachment C and/or D of the Standard MTW Agreement (or applicable successor section in future iterations of the MTW Agreement) that gives the MTW PHA flexibility to conduct the proposed activity.

ii. Explain why the cited authorization(s) is needed to engage in the proposed activity.

Explanation <i>Explain why the cited authorization(s) is needed to engage in the proposed activity.</i>	Attachment C Authorization <i>Cite the authorization(s) detailed in Attachment C and/or D of the Standard MTW Agreement (or applicable successor section in future iterations of the MTW Agreement) that gives the MTW PHA flexibility to conduct the proposed activity.</i>
NEW REQUESTED WAIVERS	
<p>Exclusion of “regular contributions or gifts received from organizations”:</p> <p>24 CFR 5.609(c)(7) states annual income includes "Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling."</p> <p>The Agency is requesting waivers in order to exclude “regular contributions or gifts received from organizations”.</p> <p>Under this activity a household’s annual income for public housing and Housing Choice Vouchers will exclude monetary and non-monetary contributions that are received directly by the household from a SAHA partner or are received by SAHA and distributed to the household on behalf of the SAHA.</p>	<p>Attachment C, Section C.11 Rent Policies and Term Limits: The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan;</p> <p>Attachment C, Section D.2.b. Rent Policies and Term Limits The Agency is authorized to determine contract rents and increases and to determine the</p>



	<p>content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency’s Annual MTW Plan;</p> <p>Attachment C, Section D.3.a. Eligibility of Participants: The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are “very low-income” as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency’s Annual MTW Plan;</p>
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E. RENT REFORM INFORMATION

HUD defines “rent reform” as any change to how rent/tenant share is calculated for a household that would not be allowable absent the MTW activity. Any MTW activity that an MTW PHA enacts that alters the rent calculation (the amount a household contributes towards their housing costs) would be considered a type of rent reform. The following information must be provided for all rent reform activities. In addition, any MTW activity that seeks to adopt a term limit in the public housing program must include information on items (ii)-(iv).

i.IMPACT ANALYSIS

The MTW PHA may provide an impact analysis for each component of the rent reform activity or a comprehensive impact analysis of the rent reform activity. To assess the impacts of the rent reform activity, the following steps are suggested:

(1) A description of how the proposed MTW activity will impact household rent/tenant share.

The activity will eliminate the increase in rent for clients as a result of excluding cash and non-cash contributions from SAHA partners.

(2) A description of how the MTW PHA will implement and track the rent reform activity and how that process will enable the identification of any unintended consequences/impacts.



This activity will be implemented for new admissions and current residents upon approval from HUD and the start of the FY2022. Tracking will take place in the Agency's case management software and in partnerships with SAHA partners through data sharing agreements. The Agency will also establish points of contact for SAHA and its partners to monitor unintended consequences and impacts.

(3) A numerical analysis detailing the intended/possible impacts of the rent reform activity (including changes to the amount of rent/tenant share, rent burden increases/decreases, households affected, etc.)

This rent reform removes the potential increase in household rent as a result of future contributions by SAHA partners.

(4) A plan for how the MTW PHA will weigh the consequences/benefits of the rent reform activity to determine whether it should be adjusted/ terminated/ reduced/ continued/ expanded.

The Agency will monitor the impacts of this activity through its annual evaluation process for the Agency Strategic Plan as well as other internal evaluations of this specific activity as identified.

ii. HARDSHIP CASE CRITERIA

The MTW PHA must establish a hardship policy that clearly defines the circumstances under which households may be exempted or provided temporary relief from the activity. The MTW PHA must describe how such households could access the hardship policy and the associated process.

The Agency does not anticipate the need for a specific hardship policy as a result of this activity. SAHA will follow standard hardship policies and procedures that are designed to allow the Agency flexibility to address unique, unforeseeable circumstances that may occur and to protect families in crisis.

iii. DESCRIPTION OF ANNUAL REEVALUATION

The MTW PHA must provide an overview as to how the activity will be reevaluated on an annual basis in the Annual MTW Report, mitigating negative impacts and unintended consequences.

The Agency has established internal review processes that will encompass reviewing key HUD metrics, SAHA operational metrics, and Partner outcome metrics to assess whether the activity is achieving its intended outcome and developing mid-course corrections as needed.

iv. TRANSITION PERIOD

The MTW PHA must develop a plan and timeline for transitioning households into the activity. If a rent reform activity, the MTW PHA should show how the impact analysis informed this transition period

The elimination of contributions from SAHA partners will be made effective as of July 1, 2021 upon HUD's approval. As SAHA enters into partnerships, tracking procedures will be set up as part of the data sharing agreement process.

