

Washington County Community Development Agency's Moving to Work Plan

Vision for the Local Moving to Work Program: The Washington County Community Development Agency (“CDA”) wishes to apply for the Moving to Work (“MTW”) program to test strategic changes to the Housing Choice Voucher (“HCV”) and Public Housing programs. How many times is it said, “If we could only do it this way, how much better would it be?” The MTW program gives the CDA the opportunity to put ideas to the test.

The CDA is proposing changes in procedures that would streamline processes; simplify the program for tenants, create efficiencies in program administration, and motivate and reward tenants for retaining employment. The plan was created to ensure there would be no known negative effect on housing choice.

The CDA has developed goals and strategies to ensure fair housing choice for all. One of these efforts is being a member of the Fair Housing Implementation Council (FHIC). The FHIC consists of local authorities in the Twin Cities Region. Together, FHIC develops strategies regarding fair housing and civil rights goals as describe in the Affirmatively Furthering Fair Housing Plan. The CDA partners with non-profits, developers for affordable housing, community advocate groups, and service providers to target and reach the various populations in Washington County.

Plan for Future Community/Resident Engagement: The CDA recognizes the importance of working together with tenants in developing the MTW plan. Annually the CDA will invite

tenants to provide comments and ask questions on the plan via tenant meetings. An invitation to join a meeting will be sent to all HCV and Public Housing residents. The invitation will contain a dedicated email address so that tenants can ask questions and provide comments. A slideshow will be developed for the meetings and all Q & A will be posted on the CDA's web site. A separate meeting will be held for the Resident Advisory Board.

A Public Comment Period and Public Hearing Notice will be published both in the newspaper and on the agency website. All questions, comments and the slideshow will be posted and available for review on the web site before the public hearing. There will be a 30-day comment period prior to the Public Hearing with the ability to attend the Public Hearing through Zoom and leave comments at the dedicated email address. Interpreters will be available by request for persons with disabilities and persons with limited English proficiencies.

PHA Operating and Inventory Information: Washington County lies on the eastern edge of the Minneapolis/St. Paul MN metro area and tenants move easily between the local jurisdictions. The CDA currently has 176 Housing Choice Vouchers (HCV) and 105 Public Housing units. Of the 176 HCVs, 39 are Mainstream Vouchers, 10 are VASH vouchers, 37 are Family Unification Program (FUP) Vouchers and 90 are regular HCV. The CDA also administers 375 port-in HCV vouchers.

Although COVID has changed the admissions process for the new FUP and Mainstream vouchers, the CDA is working with the community partners that assist applicant's complete eligibility requirements and secure housing as quickly as possible. To improve communication

and the exchange of documents, the CDA has purchased new program software that contains landlord and tenant “cafes” where information can seamlessly be exchanged. The new software will provide the CDA with more efficient and cost-effective ways to communicate with landlords and tenants particularly during times of crises such as a pandemic. The new software will be able to accommodate any special functions needed for MTW.

The CDA has 105 Public Housing Units, sizes one to four bedrooms. The CDA is currently in the process of demolition/disposition of the 56 scattered site units. These units will be sold to a Limited Liability Company with the CDA as the sole member, tentatively set for December 1, 2020 and will be used as affordable housing for families at 80% of area median income. The 56 families that currently occupy those units will be offered replacement tenant protection vouchers and will become part of the HCV program. These families may choose to lease in place or move with HCV rental assistance. The remaining Public Housing Units are slated to become Project Based Vouchers in 2021. This may require the CDA come back to HUD at a later date to develop MTW waivers for the Project Based housing program.

Plan for Local MTW Program:

MTW Plan:

Utilities

Utility allowances calculated by bedroom size, not by building type.

Tenant will be eligible for the utilities based on the number of bedrooms in the unit or the voucher size, whichever is lower.

Advantage: This change will make it easier for tenants to figure out what the utility allowance is for a unit when they are moving and trying to locate an affordable unit. For the CDA, this change will result in less time delays waiting for a determination of the type of building and potential errors in calculations.

Eliminate utility re-imbusement payments.

Advantage: This will result in less internal tracking for the CDA saving time and expense.

Minimum Rent

Minimum Rent Increased to \$100.

Advantage: Minimum rent increased to \$100 as an incentive to go to work. The CDA would maintain the current hardship policy.

Deductions:

Standardize medical deductions for Over the Counter medication and for companion animals.

The CDA will develop a standardized deduction for Over the Counter medication that is needed to treat a specific medical condition. The CDA will evaluate current over the counter deductions to determine an average cost per medication.

To standardize the cost of a companion animal the CDA will review available data regarding the annual costs related to the type of animal, verify with a medical professional that a companion animal is necessary, and then verify with the veterinarian or other professional resource that the animal exists.

Advantage: The CDA would spend less time processing receipts, less time tracking verifications, and less time trying to determine what item is a reasonable expense. Tenants would not have to bring in receipts.

Alternative Exclusions:

The CDA will develop an income exclusion system for working families based upon a percentage of earned income. For self-employed families, the exclusion would be based on net income as determined by tax returns. This exclusion of earned income may replace EID, possibly childcare costs deductions and /or the standard deduction of \$480 per child.

Advantage: Giving an income exclusion incentivizes people to work and would base the rent on income more closely related to net income. An income exclusion would level the playing field for families that work where rent portions are set according to gross income versus families that use assistance programs where the rent portion is set according to what the family actually receives. The exclusion would not expire with the age of the children as the childcare deduction does and could be used to offset some of the costs of becoming more self-sufficient—such as paying for medical insurance for family members. The goal is to increase self-sufficiency by rewarding retaining employment and having people develop budgets based on income in the household. One of the problems with the Earned Income Disregard program is people developed false economies during the time their income is excluded. When the income exclusion expired, they cannot continue to support their lifestyle with the addition of increased rent. An exclusion of a percentage of earned income would more accurately reflect net income and then the budgets that are developed are more realistic. By adding this exclusion over time, the CDA would work to manage the budget.

Certification of Assets

Self-Certification of Assets up to \$50,000

Advantage: The CDA would save staff time verifying information that has no effect on the rent calculation. The CDA would no longer require bank account statements, life insurance statements, or stocks and bonds unless the total is above \$50,000. This does not preclude the CDA from asking for these items for a fraud investigation, but they would not be required for an annual recertification unless the total amount is over \$50,000.

Initial Rent Burden:

Agency will waive the maximum family share at initial occupancy of 40% of family's monthly income. Maximum family share at move in may not exceed 50%

Advantage: Washington County has good schools, employers looking for employees, and safe neighborhoods but many of the rental units are not affordable at the 40% limit at initial occupancy. By expanding the limit, the CDA will increase the number of units available to families. This policy works in tandem with the income exclusion, encouraging employment.

Items to be Considered for Future Plans:

- Limiting Interim Rent changes for employed persons.
- Explore referral process for people who have lost job to CareerForce before consideration for interim rent change.

Proposed Use of MTW Funds:

The CDA currently is asking for MTW flexibility in the use of funds provided for HCV and Public Housing.

Once the budget for MTW funds is established, the CDA will request the use of funds for non-traditional purposes such as \$500 bonus to landlords that continue in the program after the initial year.

Evidence of Significant Partnerships:

The CDA works with its local partners in multiple ways. The CDA partners with the local Adult Mental Health unit at Washington County Community Services in administering the Bridges rental assistance program. Bridges provides rental assistance to persons with a mental illness who are homeless or at risk of homelessness. The CDA provides the rental assistance and calculation of the rent while the adult mental health unit provides support and daily living skills.

The CDA is a member of the local Continuum of Care (SMAC—Suburban Metro Area Continuum of Care). The CDA provides rental assistance through a housing first model to families identified through the Coordinated Entry Process. The CDA partners with Canvas Health by providing rental assistance to families who have a mental health diagnosis or a chemical health diagnosis. Canvas Health provides supportive services to the families.

The CDA partners with the local Heading Home Washington group. This group consists of non-profit agencies, faith-based organizations, and citizen representatives—all trying to find local solutions and resources for families.

The CDA partners with the local Child Protection unit at Washington County Community Services through the FUP vouchers to assist families who are homeless and stable housing is what is preventing the families from being re-united with their children.

Washington County currently has no singles homeless shelter. This is a need that has long gone unmet in the county. The CDA is partnering with Washington County Community Services to find resources and a location for a homeless shelter specific to single adults.

The CDA partners with the Washington County CareerForce for opportunities that would benefit the rental assistance participants. A CDA staff sits on the Washington County CareerForce Development Board.

Significant Dates and Milestones for the CDA’s MTW program:

- December 4, 2020: Submit Plan with documents to HUD
- January 2021: Work with HUD to clarify any remaining questions
- January 2021: Software conversion. Do Data gathering to implement any of the changes.
- February 2021: Do analysis of OTC and Companion Animal expenses.
- March 2021: Rewrite HCV Administrative Plan and ACOP
- May 2021: Review with RAB board.
- April 2021: Post Public comment and Hearing notice of Administrative Plan and ACOP
- June 2021: Public Hearing and Board Approval of Administrative Plan and ACOP
- September 1, 2021: Implement changes for recertifications that are happening 60 days out.