

PART I MTW PLAN AND RENT REFORM INFORMATION

Over the last decade, the Hampton Redevelopment and Housing Authority (HRHA) has placed increasing emphasis on becoming a transformative organization that provides stability, opportunity, and well-being through affordable housing and resident quality of life services.

a) MTW Plan

(I) **Vision for HRHA's Local MTW Program.** HRHA is seeking MTW status because it wants to foster a deeper partnership with HUD and its community and to be on the cutting edge of low-income housing and policy development to better serve its residents. HRHA's vision for its local MTW Program is to support and incentivize families in which the head of household is working; is seeking work; or is preparing for work through education or job training. HRHA has two main goals which advance the statutory objectives of the MTW program: 1) assist families increase their earning potential through education, job training and support to become economically self-sufficient; and 2) ensure that the children of HRHA families have access to social services and academic support required to transition the families out of the cycle of poverty. MTW designation presents an opportunity to engage the community through local partnerships and innovative strategies to achieve purposeful and lasting change in the lives of its residents.

Despite the potential for economic, professional and personal growth that MTW designation would provide HRHA residents, there will be challenges to achieving the vision because change can be scary particularly to those who are vulnerable and have been disenfranchised. There may be resistance to a different rent structure. HRHA will have to work hard with families through engaged discussion and participation in the early planning of MTW initiative to establish

resident trust and ensure that they understand the long lasting benefits of the MTW program.

HRHA will have to implement new processes with residents and staff. It will have to establish new systems to ensure consistency, accuracy and reporting.

HRHA's MTW vision focuses on the three statutory objectives set forth by HUD.

Self Sufficiency. HRHA intends to increase self-sufficiency by implementation of a tiered rent reform policy. Currently, families do not have incentive to increase their income because by doing so they are required to pay a larger share of rent. Families who have experienced economic insecurity are fearful of increasing their rent burden in response to potentially temporary boosts in income. To encourage true self sufficiency, families must gain education and employment skills that ensure that economic gains are long lasting and can lead to financial independence. The rent reform program is designed to gradually move a family away from subsidy by reducing the amount of assistance that a family receives over time, provide support services, educational and job training opportunities for adults and academic and social services support for children. The goal of this wrap around service model is to break the cycle of poverty for both the adults and the children of HRHA. To meet this goal, HRHA will use and augment its current self-sufficiency platform that includes existing FSS program partnerships, the Step Up Foundation and a comprehensive homeownership program. The MTW program waivers and funding flexibility will give HRHA the tools to implement this ambitious program.

Housing Choice. MTW status will allow HRHA to create incentives for landlords in areas of low poverty such as damage and vacancy loss payments, support for families during the housing search, and assistance with leasing and security deposits to increase housing choice for HRHA families and allow for deconcentration of poverty. It will provide families with homeownership opportunities and support services to ensure success before, during and after purchase.

Cost Efficiencies. With MTW designation, HRHA will be able to streamline processes and save money by reducing administrative burdens. The Authority seeks to streamline processes and reduce the frequency of having to comply with certain program regulations such as: establishing triennial recertifications, streamlining annual income determination through elimination of deductions, allowances, and asset income for household assets valued less than \$50,000; and simplified utility allowance. This will allow HRHA to redirect resources and staff toward incentives and services for its participants, so that they may access the support they will need on their path toward self-sufficiency.

Experience and skills of HHA personnel

HRHA's Executive Director, Aaru Ma'at, supervises and coordinates a staff of 54 full-time and 5 part-time employees, along with contractors, vendors and external partners for the delivery of housing and related services. He is responsible for management functions of HRHA including hiring and assignment of duties; enforcement of Board policy; and administration of annual budgets. He has over 20 years of housing industry experience.

Tammy Emerson is the Chief Housing Officer at HRHA and will have primary responsibility over the day-to-day operations of the MTW program. She began her career with housing in 2004 at McKean County Redevelopment & Housing Authority in Pennsylvania where she eventually became Director of Housing and oversaw 415 public housing units, 84 multifamily units, 116 project-based units and 468 Section 8 tenant based vouchers. As Chief Housing Officer at HRHA, Tammy manages a staff of 30 FTE and is responsible for 721 units of housing and over 3,000 vouchers.

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the

Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.

(II) Plan for Future Community Resident/Engagement

HRHA engages its residents and the greater community in many ways. HRHA's supportive services programs are focused on making connections that improve residents' access to employment, education and housing opportunities. It also addresses the needs of HRHA's children in facilitating access to academic services, after school activities, exposure to a multitude of cultural experiences and positive role models.

HRHA plans to engage its diverse community by devoting more staff to outreach and case management. As part of its MTW activities, HRHA will conduct a needs assessment of MTW households and connect them to resources in the area. Increasing one-on-one interactions and establishing deeper relationships with families will engage and welcome all HRHA households including those with disabled members, racial minorities and LEP.

HRHA will use its Resident Advisory Boards and regularly scheduled resident meetings to engage its families and learn about the challenges they face with regard to achieving self-sufficiency. This dialogue will provide valuable information as to the needs of the residents and the types of services and partnerships that must be nurtured or created.

(III) PHA Operating and Inventory Information

HRHA directly manages 721 units of housing which is comprised of 182 LIHTC and affordable, 16 conventional, 245 public housing and 278 market rate units. HRHA operates the Housing Choice Voucher (Section 8) program with annual approved budget of approximately \$28 million. This program currently has 3,016 vouchers leased. The public housing and HCV programs have approximately 1268 households with earned income and 2,000 in which the head of household is not elderly or disabled. As such, HRHA has approximately 2,000 households that could qualify for the MTW local program. The Authority does not anticipate major changes to the population it serves or to its housing portfolio.

Some of the challenges faced by HRHA residents with respect to leasing include: an older housing stock which can make it difficult to pass initial HQS inspections; bad credit and not having funds for the security deposits.

Section VI discusses HRHA's innovation in providing enhanced services to its community through its partners and grant funding.

(IV) Plan for Local MTW Program

HRHA seeks to establish a local MTW program that serves the statutory requirements.

1. Cost Effectiveness Activities

HRHA will establish a local MTW program that is cost effective by implementing waivers which will streamline the recertification process for all households; simplify the rent calculation, making it easier for the resident to understand; and significantly reduce the administrative burden on the staff. These waivers include:

Activity #1 Reexamination Streamlining

- Exclusion of income from assets below \$50,000.

- Reexaminations will be conducted triennially and will be based on gross annual income from the previous year.

Activity #2 Utility Allowances

HRHA will use the simplified utility allowance that HUD is offering as part of the demonstration.

Activity #3 HQS Inspections

- HQS inspections will be conducted biennially for landlords in good standing, units approved in high opportunity areas and units with a construction date of 1990 or later.
- HRHA will charge a \$50 reinspection fee for a third inspection to remove an abatement. The funds will be used to support self-sufficiency activities and are an incentive for owners to maintain their properties in compliance with HQS requirements.

The cost savings would allow HRHA to hire case management staff or redirect current staff toward providing one-on-one support services; engage landlords and assist with housing choice; increase community partnerships; teach self-improvement and life-skills courses and act as liaisons with other providers such as the school district, major employers and trade schools.

2. Self-Sufficiency Activities

Activity #4 A Step-Up MTW Self-Sufficiency Program

HRHA plans to implement the A Step-Up MTW Self-Sufficiency Program and require full participation by the MTW families in the tiered rent program, while making other aspects of the program available to all HRHA residents. Using its MTW flexible funding, HRHA will fund escrow accounts for the MTW treatment group similar to the FSS program and will encourage

earned income through a policy that allows the family to escrow 30% of any income increases (as long as HRHA funds are available).

Families who are not part of the MTW treatment group and even those who are not eligible for the MTW program, will not have an escrow account but will be able to access all of the support services and resources available to the MTW families. Approximately 25% of HRHA families who are not disabled or elderly, stay on the program for over 10 years. The overall goal is to break the cycle of poverty through a comprehensive program, which reaches all HRHA families regardless of age, ethnicity, race, language and ability.

HRHA will assign a caseworker to each HRHA family designated as part of the rent reform study and to any other families that wish to participate, using MTW funding flexibilities. The caseworker will do a needs assessment and determine which resources the family requires and will connect the families to the providers. HRHA will use already-established and new partners to offer activities and classes such as financial literacy, resume building, interview skills, internships, and support groups. HRHA will continue to foster a relationship with Hampton City Schools to ensure that the children of HRHA have what they need to be successful. This may require access to tutoring or reading programs, accompanying parents to meetings with school staff, and assisting with public benefits so that the families have access to all necessary therapeutic programs. MTW funds will be used to assist families with childcare expenses and transportation when participating in approved activities.

3. Housing Choice Activities

Activity #5 Landlord Recruitment and Housing Search and Lease Up Support

MTW will give the HRHA the ability to recruit landlords, preferably from low-poverty areas and expand housing choices for all of its HCV families. HRHA will devote additional staff to

landlord engagement and housing search assistance. These staff members will recruit new landlords to the program, and assist families in their housing search, negotiations and lease up process. They will remain engaged with the family and owner to resolve any areas impacting lease compliance, HQS, and rent affordability.

Activity #6 Landlord Incentives

MTW incentives would remove landlord risk and barriers to leasing through implementation of vacancy or damage loss protection. HRHA would be able to compensate landlords for damages caused by tenants in excess of security deposits or situations where there is loss due to vacancy. Compensation is limited to one month's rent and can only be accessed once a lease is signed with another eligible HRHA household.

Activity #7 Security Deposit Loan Program and Credit Repair

HRHA will help voucher participants be able to afford better quality housing through a security deposit loan program. HRHA will loan families a security deposit which they will pay in installments over a 12 month period. HRHA will also help families who cannot access desirable housing due to credit issues by helping them obtain credit repair services. These measures will create opportunities for voucher holders to reside in low poverty areas and benefit from safer neighborhoods, better schools, and improved neighborhood offerings (parks, retail establishments, after school activities).

Activity #8 MTW Homeownership Program

HRHA will establish an MTW Homeownership Program for HCV and PH residents. For PH residents HRHA will use its MTW funding flexibility to subsidize the mortgage payments similar to the HCV Homeownership Program. HRHA will use its existing partnerships from its current

Homeownership Program to prepare families for homebuying and support them thereafter.

Families with earned income will be able to benefit from their efforts, purchase their own home, increase their wealth through equity accumulation and receive the necessary assistance before, during and after their purchase.

(V) Proposed Use of MTW Funds

By way of this application, HRHA requests to use public housing and HCV funds flexibly. This flexibility allows HRHA the ability to give incentives and assistance to families in which the head of household is working, seeking work, or is preparing for work and to increase housing choices for low-income families.

HRHA would like to establish a single fund budget with flexibility to determine the areas of greatest need for use of the limited resources. By doing so, HRHA can achieve local flexibility in the design and administration of housing assistance to eligible families, thus reducing cost and achieving greater cost effectiveness in Federal expenditures. HRHA will use its flexibility to fund eligible expenses such as activities related to the provision of services and caseworkers. HRHA plans to spend up to 10% of its HAP funds toward local, non-traditional activities. Below are some of the planned expenditures by Activity:

Activity	Expected Expenses
Activity #1 Reexamination Streamlining	No associated expenses, will save money
Activity #2 Utility Allowances	No associated expenses, will save money
Activity #3 HQS Inspections	No associated expenses, will generate funds from reinspection charges
Activity #4 A Step-Up MTW Self-Sufficiency Program	Service coordinators/case managers Learning coordinators for children’s academic needs and services Activities—professional advancement, budgeting, financial literacy, nutrition Education (GED classes, scholarship funds) Transportation and childcare when needed

	Escrow payments
Activity #5 Landlord Recruitment and Housing Search and Lease Up Support	Landlord engagement staff Housing search and lease up support staff Security deposit loans
Activity #6 Landlord Incentives	Vacancy and damage payments
Activity #7 Security Deposit Loan Program and Credit Repair	Security deposit loans Credit repair services
Activity #8 MTW Homeownership Program	Mortgage subsidy payments for public housing residents

(VI) Evidence of Significant Partnerships

HRHA has achieved successful outcomes through long term engagement with community partners. With the MTW program, HRHA plans to use and enhance this existing platform of partnerships and support services to meet its MTW goals. HRHA families will work with staff to identify needs and create their own self-improvement and financial independence program using HRHA’s current and expanded offerings. All HRHA households would be encouraged to participate in a minimum number of activities each year and would be incentivized through public recognition, gift cards, raffles, food and an uplifting environment. For MTW treatment families, participation in the MTW Self-Sufficiency program would be mandatory.

FSS Program Partnerships and Existing Program Infrastructure. Although the FSS families are not eligible to participate in this rent reform study, HRHA families benefit from the partnerships that have been established as a result of HRHA’s ongoing success with FSS. The FSS Program Committee has members from Hampton City Schools, Hampton Parks and Recreations, Hampton Healthy Families, Salvation Army, Virginia Career Works, Dress for Success and Honeycomb Hair Salon. HRHA’s FSS program developed a partnership with Bryant & Stratton College which gives FSS clients up to \$5k in scholarship funds toward their education.

The FSS program presently serves 35 to 40 Section 8 HCV participants. In 2019 two families were pre-qualified, and construction began on their new homes and eight participants were enrolled in a secondary education program. Two participants became self-sufficient and relinquished their vouchers. Twenty-two FSS clients accumulated over \$105,000 in escrow balances.

With MTW status, HRHA will use existing relationships and explore other partnerships with educational organizations such as trade schools, community colleges and universities. It will also approach local companies that would welcome HRHA residents that are interested in a particular trade with the hope that they would take on apprentices or interns. This may lead to permanent employment, increased marketable skills or a career change.

Resident Services. The Resident Services program serves both Public Housing residents and Section 8 participants, family, seniors and disabled. It facilitates their access to the proper tools and training and directs them to needed resources such as budgeting, substance abuse, family, educational or other types of counseling. Activities include Financial Literacy classes by Hampton University; Building Strong Families; Teen Wrap Sessions; Balancing Work and Family; Resume Writing Classes; and, Interviewing Skills 101. HRHA families will continue to benefit from these offerings.

A Step Up Foundation (ASUF). HRHA created A Step-Up Foundation (pending final IRS 501(c)(3) designation) to address the educational gap for children in public housing and Section 8 HCV. HRHA houses approximately 12% of the children attending Hampton City Schools. Studies have shown that children residing in public housing and Section 8 assisted units perform more poorly than their peers in math, science, and reading comprehension. Those negative outcomes are the result of a host of issues: lack of pre-natal care; deficient social and emotional

development; absence of Pre-K experience and school readiness; lack of parental support; high absenteeism and disciplinary problems. These effects last beyond childhood and adolescence, adversely impacting career and income prospects, and hampering individuals' ability to escape poverty. The foundation links existing programs and support services to HRHA children and their caregivers. The partnership of HRHA, Hampton City Schools, Healthy Families, and other family support groups, will have a strong focus on analysis to assess school performance and risk factors, and development of targeted strategies. The long-term goal is for ASUF to offer Cradle to Career supportive services.

This foundation and the agency's focus on the welfare of its children has led to many linkages and initiatives such as a Summer STEM Camp, a basketball/tutoring after-school program; and the Shoes that Fit grant partnership with Rackroom shoes. HRHA has installed 7 Little Free Libraries in underserved communities to promote early literacy. The agency partnered with a professional football player and held sessions on gun violence with its youth.

Homeownership Initiatives. HRHA has a strong partnership with the City of Hampton which appoints seven of nine Board members. The PHA also works closely with the State of Virginia. Together with HUD, these entities have created a comprehensive program for homeownership that features purchase and construction; rehab and new construction of homes; housing counseling and downpayment assistance and pre and post-purchase support. These programs benefit HRHA families and other low-income residents of the community. Below are the various components of the homeownership initiative.

1) Programs for acquisition, new construction or rehab of homes for low-to-moderate income households: HOME New Housing Construction/Rehabilitation Subsidy Program and HOME Acquisition and Rehabilitation Program (federal); Acquire, Renovate, Sell (ARS) and

Neighborhood Stabilization Program (NSP) Virginia Department of Housing and Community Development (DHCD).

- 2) *Preferred Builder \$1 Lot Program:* In partnership with the City, HRHA created a Preferred Builder Program to attract builders and give them the opportunity to purchase lots from the Authority for \$1 and develop them for future buyers. After marketing the property for 90 days to low income buyers, the builder has the option to sell to a market rate buyer and repay HRHA a percentage for the lot.
- 3) *Programs which provide support to homebuyers:* HRHA Housing Counseling Program; HRHA First Time Homebuyer Class; HRHA HomeBuyer Club; HRHA Homebuyer Financial Assistance Program (down payment and closing cost assistance).

b) Rent Reform Information

(I) Alternative Rent Policy Selection and Rationale. HRHA selects MTW Test Rent #1: Tiered Rent. HRHA provides housing and housing assistance to over 3,700 families (7,800 individuals) in Hampton. Approximately 87% of HRHA's assisted households are extremely low or very low-income. However, 41% of head of households (HOH) are employed. In public housing 83% of the non-elderly, non-disabled HOHs are employed. The MTW program will provide these families with the support they need to raise their income and achieve greater economic security.

Under current program rules, assisted families' rent amounts are subject to change, often substantially, as their income increases. This acts as a disincentive to earning more income and poses hardships for families as they are learning to manage their household budgets. Under the tiered rent model, which maintains the rent within the same tier even if the income increases, families have the benefit of stability so that they can plan for the future and feel like they are

getting ahead. This also allows families to save money from the time their earnings increase, to the time of their next triennial recertification. Those funds can go toward education both for the adults and children, better housing options, transportation needs, or medical or dental care that is not covered by other sources. In addition, these families will have the benefit of participation in the MTS Self Sufficiency program which will allow HRHA to create an escrow fund for the family and deposit an amount equivalent to 30% of their increased income.

(II) Describe Alternative Rent Policy to the Public

HRHA estimates that the enrollment period for MTW Test Rent #1 will begin within 12 months of MTW designation. During the 12 months prior to enrollment, HRHA will train staff, develop program materials and forms, update software, and continue to solidify relationships with local entities that will play a role in supporting self-sufficiency for the Authority's families. HRHA will create a task force that will provide focused attention on MTW implementation. The task force will be comprised of select group of management and line staff. After the pre-enrollment period, families will begin enrolling in the program for 12 months as they come up for recertification. The needs assessments and enhanced services can begin during this time.

When the 12 month enrollment period begins, households will be selected to participate in the tiered rent structure from the pool of families participating in the HCV and public housing programs. The following households are not eligible to participate in the rent reform study: families who are elderly and disabled; have special purpose or ownership vouchers; participate in FSS; or pay flat or ceiling public housing rent. Once HRHA establishes the pool of eligible families, they will be assigned a number. HRHA will use a random lottery to determine which families participate in the tiered rent structure (treatment group) and which continue under the

current program structure (control group). HRHA estimates that about 1,000 households will be part of each group.

The tiered rent structure will be beneficial to participating families because it will allow them to increase their income over three years without increasing their rent burden. These families will not have to undergo recertification annually, rather they will recertify on a triennial schedule. In between recertifications, these households will have access to services and activities designed to boost their earned income potential and teach them improved money management skills. For some, it may be the first time in their lives that they have even a small amount of disposable income. This income may be put toward savings, transportation needs, childcare, and educational opportunities. In addition, as part of its MTW activities, these families will be automatically enrolled in HRHA's MTW Self-Sufficiency Program. As with the FSS program, when the family achieves an income increase, the portion of increased rent that the family would have paid, is placed in an escrow account for the family. However, unlike the FSS program, the family's rent portion never increases until the next triennial recertification even if their income has increased.

In the event that a family's income decreases during their participation in the tiered rent program, they can request a hardship rent waiver. This will be approved if the family's drop in income is enough to place them in a lower tier than the tier that they were assigned initially or at their 3-year recertification. The hardship rent will be the rent assigned to the lower tier. The participating family will be permitted to pay hardship rent until such time their income increases again or 12 months, whichever is sooner. If the family's income has not increased after 12 months, the family must renew their request for hardship rent.

Tier	Tier Income Minimum	Tier Income Maximum	Tiered Rent
1	\$0	\$2,499	\$50
2	\$2,500	\$4,999	\$94
3	\$5,000	\$7,499	\$156
4	\$7,500	\$9,999	\$219
5	\$10,000	\$12,499	\$281
6	\$12,500	\$14,999	\$344
7	\$15,000	\$17,499	\$406
8	\$17,500	\$19,999	\$469
9	\$20,000	\$22,499	\$531
10	\$22,500	\$24,499	\$594
11	\$25,000	\$27,499	\$656
12	\$27,500	\$29,999	\$719
13	\$30,000	\$32,499	\$781
14	\$32,500	\$34,999	\$844
15	\$35,000	\$37,499	\$906
16	\$37,500	\$39,999	\$969
17	\$40,000	\$42,499	\$1,031
18	\$42,500	\$44,999	\$1,094
19	\$45,000	\$47,499	\$1,156
20	\$47,500	\$49,999	\$1,218
21	\$50,000	\$52,499	\$1,282
22	\$52,500	\$54,999	\$1,344

23	\$55,000	\$57,499	\$1,406
24	\$57,500	\$59,999	\$1,469
25	\$60,000	\$62,499	\$1,531
26	\$62,500	\$64,999	\$1,594
27	\$65,000	\$67,499	\$1,656
28	\$67,500	\$69,999	\$1,719
29	\$70,000	\$72,499	\$1,781
30	\$72,500	\$74,999	\$1,844
31	\$75,000	\$77,499	\$1,906
32	\$77,500	\$79,999	\$1,969
33	\$80,000	\$82,499	\$2,031
34	\$82,500		\$2,094
	AMI for Hampton		