

Section 1.A. Vision for the PHA's Local MTW Program

This section outlines Auburn Housing Authority's (AHA) vision for addressing the three statutory objectives of the MTW Demonstration Program to include: 1) self-sufficiency, 2) housing choice, and 3) cost effectiveness.

Self-Sufficiency: Many low-income families in Auburn, AL are faced with housing uncertainty and are often in substandard housing or unhealthy environments due to not having the financial means to live in thriving safe neighborhoods. AHA desires to bridge the gap and create a transitional program that create decent, safe and affordable housing for families and create transitional programs that address the family's needs/barriers in an effort to break generational cycles of poverty and promote generational wealth. The AHA offers a Family Self-Sufficiency (FSS) programs to its Housing Choice Voucher (HCV) participants which enables families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. AHA will continue its community partnerships with organizations that offer programs to assist in preparing participants for the workforce by offering job training programs and educational opportunities to enhance credentials to compete for jobs in today's competitive market.

Housing Choice: Families AHA serve experience distinctive challenges due to Auburn being a college town, home of Auburn University (AU). AU's student population increases annually requiring a plethora of rental housing which minimizes affordable rental housing opportunities for low-income families, elderly and disabled person(s). In addition, AHA's clients are competing with students whose landlords benefit from renting their unit by the bedroom; therefore, making the units unaffordable for our clientele. To further complicate housing options, landlords have the ability to require higher rents and not having to comply with burdensome

Auburn Housing Authority DRAFT MTW Plan

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regulatory requirements. Due to these barriers, it creates a domino effect that causes clients to seek housing outside the city limits, thereby limiting their children access to high achieving school systems and limiting employment and/or education opportunities for the client because of transportation needs. AHA plans to address these barriers by utilizing MTW flexibilities and compounding them with other housing programs and continuing our partnership with service programs to strengthen our families, our community.

Cost Effectiveness: Another inherent burden of the traditional HCV Program is complying with onerous HUD regulations. If awarded a MTW designation, AHA plans to implement various cost saving initiatives as outlined in Section 1.D. The MTW flexibilities will significantly reduce the administrative burdens required of staff resulting in considerable cost savings to AHA. There will also be a cost savings to families served by AHA by not having to provide excessive documentation to comply with challenging deadlines resulting a reduction in terminations due to non-compliance.

Fair Housing and Civil Rights: The AHA will comply with its executed *PHA Certifications of Compliance with the PHA Plan and Related Regulations including Required Civil Rights Certification* (Form HUD-50077-ST-HCV-HP) contained its PHA Plan. Furthermore, AHA will comply with the City of Auburn's Community Development Block Grant (CDBG) Affirmatively Furthering Fair Housing goals and objectives.

AHA desires to be a leader in innovative affordable housing opportunities, but more importantly an agent of change. MTW designation would present a unique opportunity to allow AHA to enhance its services by strengthening our partnerships with existing local community agencies, creating new partnerships, providing incentives to support families in becoming self-

sufficient, increasing and creating affordable housing choices for eligible families, and reduce cost and achieve greater cost effectiveness in federal expenditures.

Section 1.B. Plan for Future Community/Resident Engagement

AHA understands the importance of resident and community engagement. AHA firmly believes no one should tell a family what they need, but should ask what a family needs. Therefore, AHA will hold an annual participant meeting to gather resident input and to assess policies. A separate meeting will be held for the Project-Based Voucher (PBV) Program, the Tenant-Based Voucher (TBV)/ Section 8 Program, and the Resident Advisory Board as each program will have different needs due to program differences. In an effort to notify participants and the broader community, meeting notifications will be mailed to participants, published in the local newspaper, posted on AHA's website and community bulletin boards, etc. AHA also anticipates partnering with the Auburn University's Office of Inclusion and Diversity to develop affirmative outreach strategies to enhance AHA's engagement effort with for racial and ethnic minorities, persons with limited English proficiency and disabilities and other minority groups.

Section 1.C. PHA Operating and Inventory Information

AHA's jurisdiction comprises of a metro area within Lee County and Chambers County. AHA's annual contribution contract contains 280 TBV, 18 Veteran Affairs Supportive Housing Vouchers, 406 PBV. AHA has applied for 20 Mainstream Vouchers and is in the process of implementing the Foster Youth Initiative Program.

As outlined in the City of Auburn's CDBG 2020-2024 Consolidated Plan, the demographic change for 2009 to 2015 (most recent data), the population increased by 10%, households decreased by 12%, and median income increased 23%. Lack of affordable housing options is the result of high housing demand created by growth in both the economy and student

Auburn Housing Authority DRAFT MTW Plan

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enrollment at Auburn University. In an effort to address affordable housing disparities, AHA plans to redevelop its RAD project-based voucher (PBV) units and acquire property to expand rental and homeownership opportunities for its clientele and for low-income families in Auburn and the surrounding areas. Although AHA has a healthy wait list for its TBV/Section 8 program, AHA continues to have challenges in maintaining high voucher utilization/occupancy due to retaining and recruiting landlords while competing with student rental housing.

Section 1.D. Plan for the Local MTW Program

If awarded the MTW designation, AHA seeks to utilize MTW funding and regulatory flexibilities by implementing the following initiatives that will address the three statutory objectives to include: Cost Effectiveness, Self-Sufficiency, and Housing Choice.

Initiative 1 (Cost Effectiveness): Modify Utility Allowance (UA) Calculation

Anticipated Benefit: The AHA proposes to modify the UA by calculating by bedroom size as opposed to building type. The UA will be calculated based on the number of bedrooms in the unit or the voucher size, whichever is lower. The change in calculation will simplify the process for clients seeking housing options to determine if the unit is affordable and it will eliminate the processing burden for AHA's staff of determining the UA amount for a specific unit.

Initiative 2 (Cost Effectiveness): Streamline Recertifications

Anticipated Benefit: AHA plans to implement biennial recertifications for non-elderly and disabled HCV households; triennial recertifications will be used for elderly and disabled households resulting in a reduction in staff collecting, verifying, and processing data. Streamlined recertifications will also save participants time and cost in regards to complying with the annual recertification documentation requirements.

Initiative 3 (Cost Effectiveness): Increase Minimum Rent

Anticipated Benefit: AHA plans to increase minimum rent to \$100. Increasing minimum rent incentivize participants that have earned income. An increase in minimum rent results in a reduction in HAP which allows AHA to assist more families.

Initiative 4 (Cost Effectiveness): Modify Income and Rent Share Calculations

Anticipated Benefit: In an effort to simplify the calculation of an applicant and participant's income, AHA proposes to calculate income based on net income as opposed to adjusted income (annual income minus allowances). Net income will be defined as gross income minus payroll taxes (employee benefit deductions will be counted as income). In addition, AHA proposes to eliminate using regulatory allowances for dependents, elderly/disabled, childcare, medial, etc. to be replaced with having a standard/flat allowance for working, elderly and disabled head of households (HOH). Utilizing net income and a standard/flat deduction will result in calculating income more efficiently and minimize errors. Furthermore, it will minimize the burden for applicants and participants on gathering required documentation to receive various allowances. AHA desire is to create an incentive that will incentivize families to work and address the disparity created by using gross income instead of net income for rent calculation. Calculating rent based on income actually receive will significantly impact a family's saving ability.

Change 5 (Cost Effectiveness): Self-Certification of Assets

Anticipated Benefit: AHA will allow families to self-certify assets received up to \$50,000. AHA will decrease the reporting burden on families by no longer requesting bank statements, or verifying stocks and bonds, \$50,000 or less. This change will also significantly reduce AHA's staff administrative burden in collecting and processing data and eliminate the participant having to pay the bank charges for bank statements.

Change 6 (Cost Effectiveness) Improve Operational Efficiency Through Technology

Auburn Housing Authority DRAFT MTW Plan

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Anticipated Benefit: AHA is in the implementation phase of utilizing Go Section 8's RevoList wait list software. The software is revolutionary, centralized, and HUD-compliant resulting in housing families quicker and more efficiently while increasing AHA's voucher utilization. AHA will also use various virtual services including a Participant Portal which offers online recertification allowing participants to upload and retrieve documents via AHA's website. Additionally, AHA will offer a Landlord Portal which gives landlords the ability to view HAP and 1099s online. The above modules will offer easier access to AHA's services and decrease the administrative burden of staff fulfilling the aforementioned requests.

Change 7 (Self-Sufficiency): Family Self-Sufficiency (FSS) Program Enhancement

Anticipated Benefit: For families that participates in the FSS Program and reaches a threshold where 30% of their monthly net income equals or exceeds the current Fair Market Rent (FMR), instead of terminating the Contract of Participation (COP) as required under current HUD regulations, AHA proposes to allow an additional period of up to six (6) months to complete the Individual Training and Service Plan's (ITSP) goals before the contract terminates. AHA also propose to use interest earned from escrow accounts to be used to create a grant fund for homeownership and allow eligible household members to participate in the FSS program.

Initiative 8 (Self-Sufficiency): Working, Higher Education or General Equivalency

Diploma (GED) Requirement

Anticipated Benefit: All head of households (HOH) and members of the household that are of working age, must document evidence of striving towards self-sufficiency by working full or part-time or seeking employment, enrolled in college, or pursuing their (GED). If evidence is shown that the HOH or household member of working age are not complying with the self-sufficiency requirements, those that are in non-compliance will be required to enroll in the FSS Program,

Auburn Housing Authority DRAFT MTW Plan

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attend self-sufficiency workshops provided by the AHA, or document employment efforts. The self-sufficiency requirements do not apply to elderly and disabled HOH or household members.

Initiative 9 (Self-Sufficiency): Resident Service Programs

Anticipated Benefit: In an effort to provide AHA's families with the tools and resources to be self-sufficient, AHA offer workshop and training sessions to its families to include but is not limited to credit counseling, budgeting, college preparation, college fairs, and housing counseling. AHA will also provide participants transportation to participate in Southern Union State Community College's Ready to Work program (see attached Letter of Support).

Initiative 10 (Self-Sufficiency): Foster Youth Initiative (FYI) Program

Anticipated Benefit: The AHA is developing a plan to administer FYI vouchers. Due to the inherit challenges that are faced by youth aging out of foster care, AHA desires to utilize MTW funding flexibilities to assist participants with rental and/or utility deposit as they navigate on the road to self-sufficiency.

Change 11 (Housing Choice): Initial Rent Burden

Anticipated Benefit: AHA desires to change the initial rent burden calculation from 40% to 50%. AHA will waive the maximum family share at the initial occupancy of 40% of a family's monthly net income. By increasing the initial rent burden coupled with the other AHA planned initiatives, AHA believes this change will increase affordable housing options for the families we serve. It will also allow families to have more equitable housing opportunities in thriving and deconcentrated neighborhoods.

Change 12: Landlord Incentive Program.

Anticipated Benefit: AHA's current Landlord Incentive Program is funded through limited funds awarded through the CARES Act. AHA desires to continue the Landlord Incentive Program in

an effort to recruit new landlords and retain landlord participation in the HCV program.

Change 13 (Housing Choice): Affordable Housing Development

Anticipated Benefit: In an effort to expand affordable housing opportunities for economically disadvantaged families, AHA plans to redevelop some of its RAD PBV units and acquire property in hopes of expanding rental and homeownership opportunities for families served by AHA. If needed, AHA may utilize MTW's funding flexibilities to be used as gap financing.

Change 14 (Housing Choice): HCV Homeownership Program

Anticipated Benefit: AHA will offer the HCV Homeownership Program to its participants in an effort to position its families of building wealth and to become self-sufficient. If needed, AHA may utilize MTW's funding flexibilities to offer down payment assistance to families to address barriers associated with obtaining homeownership.

Change 15 (Housing Choice): Increase Payment Standard

Through the MTW designation AHA desires to hire an independent company to determine Fair Market Rents (FMR). Thus, increasing the payment standards and allowing AHA families more housing opportunities that are afforded in portability options. AHA believes by increasing payment standards coupled with the Landlord Incentive Program will increase affordable housing options to the families we serve. AHA will also explore the option of increasing the payment standard to 120% of FMRs.

Section 1.E. Proposed Use of MTW Funds

AHA proposes to use the MTW funding flexibility (HCV HAP and Administrative Fees) to improve cost effectiveness, promote self-sufficiency, and expand housing choice by implement initiative to include but is not limited to: Stream recertifications, Landlord Incentive Program,

FSS Program, FYI Program, Homeownership Program, affordable housing development, information technology, and other initiatives outlined in Section 1.D.

Section 1.F. Evidence of Significant Partnership

AHA has a long history of successful collaborations with community service providers. AHA works with local service providers that will help to fulfill the mission of the MTW program. Partnerships include but are not limited to the following: **Domestic Violence Center (DVIC):** AHA has a standing agreement that allows up to five vouchers a year for person (s) who receive housing assistance at the DVIC. DVIC provides various tools and resources to assist victims of domestic violence to obtain self-sufficiency. **City of Auburn (grants):** AHA receives CDBG grant funds from the City in support of its Resident Enrichment Program. The grant proceeds are used to pay school laptop fees for grades 7th – 12th, college scholarships, ACT/SAT exam fees, and provide transportation. **Auburn University (AU, in-kind service):** AU allows students majoring in Social Work to work as interns in support of resident service programs. **Christian Women’s Job Corporation (CWJC):** The CWJC provides life skill, financial literacy, and job readiness to our participants. **Financial Institutions (in-kind services):** BBVA Compass and Regions Bank provides financial literacy workshops to our participants on a regular basis. AHA partnered with Auburn Bank and the Alabama Housing Finance Authority to offer a homeownership workshop that had great attendance. **Faith-Based Non-Profits and Community Partners:** AHA partners with numerous faith-based and community service providers which provides health, educational, recreational and social resources to families served by AHA. Please see the link below to view the 2019 NNO photo gallery which included participation of over twenty community partners.

https://www.auburnhousingauth.org/media_gallery/view/2079

Auburn Housing Authority DRAFT MTW Plan

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Community partnerships and leveraging resources are essential in administering a successful MTW program. AHA will continue its partnership with agencies to assist families to become self-sufficient that offer programs promoting homeownership, job training, education, etc. In an effort to leverage funding and resources to support proposed MTW initiatives, AHA will utilize resources of its affiliates, continue to apply for grants from the public and private sectors, and utilize in-kind services. Please see attached Letters of Support.

Section 1.G. Significant Dates and Milestones for the PHA's Local MTW Program

AHA's proposed two-year (January 2021 – December 2022) milestones include using existing and developing new MTW waivers and policies to implement the following initiatives as outlined in Section 1.D:

January 2021 – MTW designation notification approval

February 2021: Identify partners to implement initiatives outlined in Section 1.D.

March 2021: Resident and Community Engagement Activities (introduce proposed initiatives)

April 2021 - June 2021: Plan and Implement: Resident Service Programs, Homeownership Program, FYI Program, Landlord Incentive Program.

April 2021 – December 2021: Plan and Implement: Modified UA Calculation, Stream Recertifications, Increase Minimum Rent, Modify Income and Rent Calculations, Self-Certification of Assets, Modify Initial Rent Burden Calculation, and technology enhancements.

January 2022: Assess 2021 Initiatives via Resident/Community and Board Progress Report.

February – March 2022: Plan and Implement: FSS Program Enhancements and Work and Education requirements.

April 2022 – December 2022: Plan and Implement: Affordable Housing Development and Increase Payment Standards.