

Chapter 21

MOVING TO WORK (MTW) DEMONSTRATION PROGRAM ADDENDUM TO THE HCV PROGRAM ADMINISTRATIVE PLAN

Charleston-Kanawha Housing Authority (CKHA) has submitted all waivers in this addendum to HUD for approval. Upon approval, all waivers will be effective August 1, 2022, unless otherwise stated by HUD. This addendum describes all Moving to Work (MTW) waivers and applicable policies. Except as addressed in this addendum, all other policies in this plan continue to apply.

INTRODUCTION

This chapter explains HUD regulations and CKHA policies regarding the MTW demonstration program related to these topics in two parts:

Part I: MTW Demonstration Program. This part describes the MTW demonstration program, the three statutory objectives and the five statutory requirements.

Part II: CKHA Implementation of MTW Demonstration Program. This part provides CKHA Policy regarding PHA implementation and program design.

PART I: MTW DEMONSTRATION PROGRAM

MTW-I.A. OVERVIEW

The MTW demonstration program allows PHAs to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by permitting PHAs to use assistance received under Sections 8 and 9 of the Housing Act of 1937, as amended, 42 U.S.C. § 1437 *et seq.* (1937 Act) more flexibly and as approved by HUD, with certain exemptions from existing public housing and HCV program requirements.

MTW-I.B. THREE STATUTORY OBJECTIVES

The MTW Demonstration Program was first established under the 1996 MTW Statute to provide statutory and regulatory flexibility to participating PHAs under three statutory objectives:

1. Cost Effectiveness - reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Self-Sufficiency - give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and

3. Housing Choice - increase housing choices for eligible low-income families.

MTW-I.C. FIVE STATUTORY REQUIREMENTS

Also established under the 1996 MTW Statute are five statutory requirements that PHAs participating in the MTW Demonstration Program must meet throughout the term of their MTW participation. During MTW participation, PHAs will certify compliance within the requirements in accordance with the “*Operations Notice for the Expansion of the Moving to Work Demonstration Program*” as published in the Federal Register (MTW Operations Notice). During MTW participation, HUD will also monitor these requirements in accordance with the MTW Operations Notice. The following requirements cannot be waived.

1. very low-income requirement - to ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;
2. reasonable rent policy - to establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;
3. substantially the same requirement - to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
4. comparable mix requirement - to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
5. housing quality standards - to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

PART II: PHA Implementation of MTW DEMONSTRATION PROGRAM

MTW-II.A. VISION

CKHA’s vision for the MTW Program is consistent with the agency vision, which is to be the leader in providing and supporting quality affordable housing desired by individuals and families in the market area, encompassing two of the three statutory objectives: self-sufficiency and housing choice. The intention of the agency is to be proactive and innovative in strategies and activities to increase cost effectiveness within the organization and increase self-sufficiency and housing choices of residents by allowing CKHA to develop local solutions more fully to address housing and self-sufficiency barriers within our communities. This can be accomplished by simplifying administrative burden, creating a stronger financial incentive for families to increase their income, continuing to provide a safety net for families that cannot readily increase their income, and minimizing increases in CKHA’s average housing subsidy expenditures per family.

MTW-II.B. ELIGIBILITY & ENROLLMENT

Eligible households must comply with random selection by a third party for participation into the MTW demonstration program. If randomly selected, households must:

- Participate in the tiered rent structure developed for the MTW demonstration program. This includes elimination of deductions and using retrospective gross income as the income source.
- Complete triennial recertifications.
- Be informed of the Hardship Policy and request if needed or automatically enrolled.

Definitions

Exempt Individual

An *exempt individual* is an adult who:

- Is age 56 years or older (including Head, Co-Head, and Spouse)
- Is blind or disabled (as defined under section 216[j][1] or 1614 of the Social Security Act), including those who are not yet identified as disabled, but have a pending SSI/SSDI application or have been approved to receive SSI/SSDI but have not received their first payment
- Is a current participant of the Family Self-Sufficiency Program
- Is HCV zero HAP household
- Is currently receiving an Earned Income Disallowance
- Has a special purpose voucher (i.e. Homeownership, VASH, Emergency Housing Voucher, Shelter Plus Care, Fostering Youth, NED, and Mainstream)
- Is currently in a mixed eligibility household
- Is porting their voucher to another jurisdiction

MTW-II.C.1. TIERED RENT MTW DEMONSTRATION WAIVERS (MTW SELECTED PARTICIPANTS)

See Exhibit MTW-2 CKHA List of Waivers Requested (2022)

TIERED RENT

Waives certain provisions of sections 8(o)(2)(A)(C) of the 1937 Act and 24 CFR 5.628.

All randomly assigned households will be assigned to a tiered rent category. The household rent portion will be calculated based on their retrospective gross income. Tier categories are set at \$2,500 increments. The household's rent portion is set to be affordable at 28% of the midpoint of the tier. Households in the lowest tier (with gross income less than or equal to \$2,499) will pay a minimum rent of \$50. See Exhibit MTW – 1: MTW Rent Reform Tiered Rent Chart (28% midpoint).

When a randomly selected household begins participating in the tiered rent study, they will be assigned to a tier rent category based on their total retrospective gross income. The retrospective income period is defined as the prior 12 months ending 120 days before the recertification effective date. The period always begins on the first date of the month and ends on the last date of the month.

New admission households will be assigned to a tier rent category based on their current gross income (as defined by the last month of the retrospective income). If a household has a gross rent (contract rent plus utilities) above their payment standard or the households pays all the contract rent (Zero HAP), they will be responsible for the amount above the payment standard. This amount will be added to their base portion of tiered rent.

EXAMPLE	
2-bedroom home	Rent \$650 & Utilities \$300 (Gross Rent \$950)
2-bedroom Payment Standard \$916 = = = <u>\$34 over the payment standard</u>	
A. Tier 4 \$219 +\$34 \$253 TTP (Total Tenant Payment) \$253 TTP - <u>\$300 Utilities</u> \$47 (Utility Reimbursement)	B. Tier 7 \$406 +\$34 \$440 TTP (Total Tenant Payment) \$440 TTP - <u>\$300 Utilities</u> \$140 (Tenant Portion of Rent)

Two Types of Hardships

Automatic - At the first recertification following study enrollment and subsequent triennial recertifications, both current and retrospective gross income will be calculated. If it is determined that the current gross income places the household in a lower tier than the retrospective income, an automatic hardship will apply. Each household's tiered rent portion will apply for three years. During that three-year period, their portion of the rent will not increase. After three years, each household will have a triennial income reexamination and be placed in the tier that matches their retrospective gross income.

Requested - Between triennial reexaminations, a household's tiered rent will change if it is approved for a hardship. See the Hardship Policy section in this addendum.

Elimination of Deductions

Waives certain provisions of sections 3(a)(1), 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.611 and 982.516.

CKHA will not apply dependent allowances or childcare deductions for households that are participating in the tiered rent study. This is different from the households not selected to participate in the tiered rent study. Households may qualify for a hardship as described in the Hardship Policy of this chapter.

Alternative Reexamination Schedule for Households

Waives certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR 982.51(a)(1) and 982.516(c)(2).

Income reexaminations will occur every three years for households that are participating in the tiered rent study group. In between triennial reexaminations, if a household's income increases it is not required to be reported to CKHA. The household will need to report an income decrease to CKHA. The family may be eligible for a hardship (see Hardship Policy) if the decrease of income places them in a lower tiered rent category. At the triennial reexamination, each household will be placed in the tiered rent category that matches their retrospective gross income. Both current and retrospective income will be calculated at the time of the recertification to determine if an automatic hardship will apply.

If the household moves to new unit, the household will remain in the current tiered rent category. The tenant portion of the rent will be recalculated based on gross rent and payment standards corresponding to the new unit.

Local Enterprise Income Verification (EIV) Method

Waives certain provision of PIH Notice 2018-18 and 24 CFR 5.233.

For households in the tiered rent study group the retrospective income will be verified by utilizing Enterprise Income Verification (EIV) and self-certification of income. The self-certification will be needed for any period that EIV does not list and for current income (as defined by the last month of the retrospective income and then multiplied by twelve).

MTW-II.C.2. GENERAL WAIVERS (APPLICABLE TO ALL CKHA RESIDENTS)

See Exhibit MTW-2 CKHA List of Waivers Requested (2022)

Outside of the Tiered Rent Reform Demonstration, CKHA is permitted to utilize additional MTW waivers. Waivers in this section apply to all HCV Program households, including Special Purpose Vouchers, unless otherwise noted. CKHA must receive additional approval to apply these waivers to Veterans Affairs Supportive Housing (VASH) vouchers and Emergency Housing Vouchers (EHV). CKHA will make the request upon approval of its MTW Supplement.

Alternative Utility Allowance

Waives certain provisions of section 8(o)(2)(D)(i) of the 1937 Act and 24 CFR 982.517 and 983.301(f)(2)(ii).

CKHA will implement a simplified utility allowance based on bedroom size and most common utilities, regardless of unit type, with some add-ons if needed.

Rent Reasonableness – Third-Party Requirement

Waives certain provisions of 24 CFR 982.352(b) and 983.303.

CKHA will no longer require a third party to conduct rent reasonableness tests at PBV properties in which CKHA has an interest. See Exhibit MTW-3 Rent Reasonableness Quality & Impartiality Policy.

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

Waives certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR. 982.516 (a)(3).

At the time of application and reexamination, CKHA will require the household to declare and sign the value of their net assets (self-certification). If the net assets are less than \$50,000, CKHA will not verify the assets and will only count the net assets and related income that the household has declared. If the assets exceed \$50,000, CKHA will verify the assets declared by the household to confirm the value and report the net assets and related income on the 50058.

Third-Party Requirement for Inspections

Waives certain provisions of section 8(o)(11) of the 1937 Act, 24 CFR 982.352(b)(iv) and 24 CFR 983.103(f).

CKHA will no longer require a third party to conduct inspections at PBV properties in which CKHA has an interest. See Exhibit MTW-4 HQS Third-Party Requirement Quality & Impartiality Policy.

Increase PBV Project Cap

Waives certain provisions of section 8(o)(13)(D) of the 1937 Act and 24 CFR 983.56(a)-(b), as superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).

CKHA may raise the PBV Cap within a project up to 100%.

MTW-II.D. HARDSHIP POLICY

Charleston-Kanawha Housing Authority (CKHA)

MOVING TO WORK (MTW) HARDSHIP POLICY AFFECTING TIERED RENT

This Hardship Policy applies to the following MTW activities (for those households selected as MTW Tiered Rent program participants):

- 1) Tenant Rent Policies – Elimination of deductions while using gross income to calculate rent and
- 2) Reexaminations – Establishment of triennial reexamination schedule (allowing for hardship requests and/or automatic adjustment via hardship policy if current gross income level drops into lower tier than retrospective income)

Tiered Rent Hardship Policy - Overview

The Tiered Rent policy is intended to benefit assisted households by allowing them to increase their income without an immediate increase in their total tenant payment (TTP) for HCV families or Tenant Rent for Public Housing residents. Households will have an income examination every three years, and in between the triennial reexaminations their tiered rent will not increase. However, some households may need special accommodations to avoid negative consequences of placement in the tiered rent.

General Hardship Provisions

Hardships must be requested by the household in writing, with the exception of automatic hardships processed by CKHA during the first or subsequent triennial income examinations. Hardships should use CKHA's MTW Request for Hardship Exception form.

CKHA will temporarily approve the hardship beginning the first day of the next month after the receipt of a valid hardship request indicating qualifying circumstances. This hardship will be based on the tier corresponding to the household's current gross income, reported by the household in their hardship request. The household will be required to provide the required documentation within 14 business days, to enable CKHA to verify the hardship. CKHA will decide whether to deny or approve the hardship within 14 business days of receiving required documentation. If the hardship request is denied, the household may be required to enter into a repayment agreement.

If the hardship is approved, and the household subsequently experiences another adverse event while still in hardship status, they may request an additional hardship that might further reduce their TTP. There is no limit to the number of hardships that a household may receive.

If a household is approved, they are not required to report income increases during the period of their approved hardship and it will not end early. At least thirty days prior to the expiration of the tiered rent hardship, the household will be notified of returning to their rent portion set at their last triennial recertification.

If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the tiered rent and return to the traditional income-based rent policy.

This hardship policy presents eligibility criteria and remedies for different types of hardships. If a household's circumstances correspond to more than one type of hardship, they will receive the hardship most beneficial to them.

Hardship Types, Criteria, and Remedies

- I. **Hardship Due to Elimination of Deductions.** Some families may face a hardship due to the tiered rent policy's reliance on gross income (with no deductions) instead of adjusted income. The childcare deduction requires special attention because childcare can be very expensive and because paid childcare is often essential for enabling parents to work.

Automatic hardship at enrollment or triennial reexamination: CKHA conducts a full income reexamination (at enrollment to the tiered rent, and again three years later) for newly admitted households or for those currently receiving assistance; if the household has \$2,500 or more of eligible out-of-pocket childcare expenses annually, CKHA will deduct that sum from their current gross income and assign a hardship rent based on the tier that corresponds to their adjusted current income.

Hardship requested by household: Any household participating in the tiered rent study whose circumstances change such that they would have \$2,500 or more of out-of-pocket childcare expenses annually, may request a hardship by submitting a completed MTW Request for Hardship Exception form.

Eligibility: A household will be eligible for this hardship exemption if they have \$2,500 or more out-of-pocket childcare expenses annually.

When approved, a hardship agreement will be in effect for **six months only**. An additional written request will need to be completed for an additional hardship. Prior to the expiration of the tiered rent hardship, the household will be notified of their rent portion set at their last triennial recertification.

- II. **Hardship Due to Reduced Income.** Households participating in the tiered rent may be eligible for a hardship if their income decreases.

Automatic hardship: When CKHA conducts an income examination (at the time of enrollment, and at subsequent triennial income reexaminations), CKHA will compare the household's current income with their prior year/retrospective

income. If the household's current gross income would place them in a lower income tier than their prior year/retrospective gross income, CKHA will automatically determine whether the household is eligible for a hardship.

Hardship requested by household: At any time other than enrollment and triennial income reexaminations, a hardship must be requested by the household by submitting a completed MTW Request for Hardship Exception form.

Eligibility: A household will be eligible for this hardship exemption if current gross income corresponds to a lower income tier than the tier they were placed in at the last income recertification.

When approved, a hardship agreement will be in effect for **six months only**. An additional written request will need to be completed for an additional or continued hardship. Prior to the expiration of the tiered rent hardship, the household will be notified of their rent portion set at their last triennial recertification.

III. Other Circumstances. A household may request a hardship exemption for other circumstances not outlined above, such as the death of a family member, a significant increase in reasonable and necessary out-of-pocket expenses because of changed circumstances (for example, a large medical bill), or if the household is facing eviction due to inability to pay the rent. CKHA will consider these requests on a case-by-case basis and decisions will be made by CKHA's hardship review panel; the hardship review panel will consist of the MTW Coordinator, one Housing Specialist/PH Manager, and the HCV/PH Program Director.

Eligibility: The hardship review panel determines that circumstances beyond the household's control make it difficult for the household to pay the tiered rent TTP, and a temporary rent reduction is necessary.

CKHA will set the household's TTP to the \$50 minimum rent for **two months**. Prior to the expiration of the tiered rent hardship, the household will be notified of their rent portion set at their last triennial recertification.

Appeals

For procedures pertaining to grievance hearing requests based upon CKHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

EXHIBIT MTW-1: MTW RENT REFORM TIERED RENT CHART (28% MIDPOINT)**Tiered Rent Chart (28% midpoint)**

Tier	Tier Income Minimum	Tier Income Maximum	Tiered Rent 28%
1	\$0	\$2,499	\$50
2	\$2,500	\$4,999	\$87
3	\$5,000	\$7,499	\$146
4	\$7,500	\$9,999	\$204
5	\$10,000	\$12,499	\$262
6	\$12,500	\$14,999	\$321
7	\$15,000	\$17,499	\$379
8	\$17,500	\$19,999	\$437
9	\$20,000	\$22,499	\$496
10	\$22,500	\$24,999	\$554
11	\$25,000	\$27,499	\$612
12	\$27,500	\$29,999	\$671
13	\$30,000	\$32,499	\$729
14	\$32,500	\$34,999	\$787
15	\$35,000	\$37,499	\$846
16	\$37,500	\$39,999	\$904
17	\$40,000	\$42,499	\$962
18	\$42,500	\$44,999	\$1,021
19	\$45,000	\$47,499	\$1,079
20	\$47,500	\$49,999	\$1,137
21	\$50,000	\$52,499	\$1,196
22	\$52,500	\$54,999	\$1,254
23	\$55,000	\$57,499	\$1,312
24	\$57,500	\$59,999	\$1,371
25	\$60,000	\$62,499	\$1,429
26	\$62,500	\$64,999	\$1,487
27	\$65,000	\$67,499	\$1,546
28	\$67,500	\$69,999	\$1,604
29	\$70,000	\$72,499	\$1,662
30	\$72,500	\$74,999	\$1,721
31	\$75,000	\$77,499	\$1,779

EXHIBIT MTW-2: CKHA LIST OF MTW WAIVERS REQUESTED (2022)

CKHA Master List of MTW Waivers Requested (2022)

Waiver	Safe Harbor Waiver Needed ?	Impact Analysis?	Hardship Policy?	Type of Waiver	Supplement Section	HCV Admin. Plan Chapter(s)
Tiered Rent Waivers (applies only to treatment group households in the rent study)						
Rent calculation at each tier using midpoint [28%] (PH & HCV)	Y			MTW Waiver – 1.a. (PH) MTW Waiver - 1.b. (HCV)	C.1 Tenant Rent Policies	6,7,10,11
Eliminate deductions and use gross income to calculate rent (PH & HCV)		Y	Y	MTW Waiver – 1.r. (PH) MTW Waiver - 1.s. (HCV)	C.1 Tenant Rent Policies	6,7,10,11
Establish alternative (triennial) reexamination schedule (allow for adjusting via hardship policy if gross income drops into lower tier) (PH & HCV)	Y	Y	Y	MTW Waiver – 3.a. (PH) MTW Waiver - 3.b. (HCV)	C.3 Reexaminations	6,7,10,11
Modification to the Income Verification Hierarchy (Notice PIH 2018-18) to streamline the process for recertifications to EIV < Self-Certification		Y		Agency-Specific Waiver	E.1 Agency-Specific Waivers	6,7,10,11
Streamlining Waivers (applies to all households)						
Establish alternative utility allowance based the most common structure type, number of bedrooms and a base payment on the most common utilities.	N	N	N	MTW Waiver – 1.i. (PH) MTW Waiver – 1.j. (HCV)	C.1 Tenant Rent Policies	16
Allow for self-certification of assets up to \$50,000 (PH & HCV)	N	N	N	MTW Waiver – 3.c. (PH) MTW Waiver - 3.d. (HCV)	C.3 Reexaminations	7
CKHA is authorized to perform rent reasonableness determinations on units that it owns, manages, and/or controls.	N	N	N	MTW Waiver – 2.d.	C.2 Payment Standards & Rent Reasonableness	8
CKHA is authorized to perform HQS inspections on PBV units that it owns, manages, and/or controls	N	N	N	MTW waiver – 5.c.	C.5 Housing Quality Standards (HQS)	17
CKHA may raise the PBV cap within a project up to 100%.	N	N	N	MTW waiver – 9.b.	C.9 Project-Based Voucher Program Flexibilities (PBV)	17

EXHIBIT MTW-3: RENT REASONABLENESS QUALITY & IMPARTIALITY POLICY

A. Purpose

1. Introduction and purpose of the policy

This document establishes the policy related to quality and impartiality management concerning Rent Reasonableness.

2. Scope

This procedure is applicable to all personnel involved in the Projected-Based Rent Reasonableness process. It provides a quality statement, quality objectives and the means by which quality and impartiality is developed and maintained within CKHA.

3. Distribution

This document is distributed to all staff involved in the process upon training and will be maintained the Leased Housing Department Procedures folder, located on the P drive. Staff are informed of changes as soon as they have been finalized. Interested parties may obtain a copy on request.

4. Authority and revision

This policy is approved by the CKHA Board of Commissioners. It is the responsibility of the Chief Executive Officer (CEO) to review the appropriateness of the policy from time to time. It may be revised when the need arises. Its effectiveness in meeting the quality of CKHA will be assessed during Internal Review.

B. Procedure

1. Activity

CKHA is authorized to perform rent reasonable determinations for CKHA-owned Project Based Units.

2. Safe Harbors

- i. **Quality assurance method to ensure impartiality** – CKHA currently utilizes a third party to verify rent reasonableness for units. The third party agency has a Statement of Compliance with Reasonable Rent Regulations, see blow.

The system was designed to correct long-standing misconceptions and problems about reasonable rent analysis. For example, other systems allow the Agency Analyst to select the comparable units, allowing for possible favoritism, subjectivity, and Fair Housing Issues. The third party agency automatically selects the best comparable units in the database using consistent and objective methods.

In another example, some systems look for comparable units based only on the same or similar rents. They do not account for differences in the characteristics between the assisted and comparable units. The system uses

the standard deviation method to enable proper comparisons of the unit to be assisted and comparable units with different characteristics, assuring the Agency that an “apples-to-apples” comparison is made.

Agency should always ensure the database has an adequate number of current comparable units in all communities in which the Participants live as well as communities that may provide Expanded Housing Opportunities. Expanded Housing Opportunities is a HUD term that indicates a geographic area that may offer better housing quality, good public transportation, good schools, close proximity to jobs and services, etc.

This Policy represents a reasonable method per the Section 8 Housing Choice Voucher and SEMAP regulations, as well as the HUD Housing Choice Voucher Program Guidebook. It also represents a common-sense approach according to the HUD SEMAP Confirmatory Review and Reasonable Rent Quality Assurance protocols.

- ii. **Method used to determine that rents charge by owners to voucher participants are reasonable when compared to similar unassisted units in the market area** - The regulations do not require a specific method to be utilized. The only requirements for comparability at 24 CFR 982.507 (b) is for the Agency to utilize unassisted units as comparable units and to consider all nine characteristics for each determination. Therefore, the reasonable rent system uses only unassisted units for comparable units. It also considers the following characteristics for each determination.

- Location
- Quality
- Size (by # of bedrooms, overall size and # of bathrooms)
- Unit type
- Age of the contract unit
- Amenities
- Housing services
- Maintenance
- Utilities to be provided by the owner

The only requirements for reasonable rent at 24 CFR 985.3 (b) is for the Agency to have and implement a reasonable written method that uses all nine of the above characteristics. This Policy describes the reasonable method herein.

The Rent Determination Report documents implementation of this Policy. This Policy includes an example of this Report.

I. Step-by Step Explanation of Procedures

This section first explains the preparation needed to perform reasonable rent determinations; then it provides the steps to implement the reasonable rent determinations.

Preparation: Use of Location

The first step in preparation concerns the location characteristic. Location has the greatest impact on rent. Therefore, this system gives the greatest weight to location.

To define location, the third-party Analysts divide the Agency's jurisdiction into three rental market value areas. Each unit to be assisted and each comparable unit is assigned to be in either a high, medium, or low rental market value location. Section III of this Policy provides an explanation of how these rental market values are determined.

Preparation: Assigning Maximum Value Points to HUD Required Characteristics

The third-party agency assigns maximum value points to each HUD required characteristic. These value points represent the economic value for each characteristic.

Value Point Levels Applied to Each Characteristic

Each characteristic is assigned a value point level. Characteristics with higher levels have more impact on the actual rent. Level V has the highest number of potential value points. Level I have the lowest number of potential points.

Each level has a value point range. The actual number of value points assigned to a characteristic is determined by the description of each characteristic in a particular unit. For example, for the quality characteristic, a unit with high quality will receive more value points than a unit with fair quality. The table below provides value levels and point ranges.

Characteristic	Value Point Level	Value Point Range
Location	V	15-23
HQS Quality	IV	10-18
Utilities Provided by Owner	IV	0-18
Building Structure (Unit Type)	IV	10-18
Overall Unit Size	III	8-13
Number of Bedrooms	II	4-9
Number of Bathrooms	II	4-9
Age	II	4-9

Amenities	II	0-9
Maintenance	I	1-5
Housing Services	I	0-5

3. Internal QC

Once the rent reasonableness has been determined by the Director of Leased Housing, the Chief Operations Officer (COO) will verify all processed have been followed and sign off if approved. The final step in this process will include a review from a staff person from Finance to perform a review on all documentation to ensure independence, impartiality, and integrity.

EXHIBIT MTW-4: HQS THIRD-PARTY REQUIREMENT QUALITY & IMPARTIALITY POLICY

A. Purpose

1. Introduction and purpose of the policy

This document establishes the policy related to quality and impartiality management concerning the third-party requirement for HQS inspections on (Project-Based Voucher) PBV units that it owns, manages, and/or controls.

1. Scope

This procedure is applicable to all personnel involved in the CKHA PBV inspection process. It provides a quality statement, quality objectives and the means by which quality and impartiality is developed and maintained within CKHA.

2. Distribution

This document is distributed to all staff involved in the process upon training and will be maintained the Leased Housing Department Procedures folder, located on the P drive. Staff are informed of changes as soon as they have been finalized. Interested parties may obtain a copy on request.

3. Authority and revision

This policy is approved by the CKHA Board of Commissioners. It is the responsibility of the Chief Executive Officer (CEO) to review the appropriateness of the policy from time to time. It may be revised when the need arises. Its effectiveness in meeting the quality of CKHA will be assessed during Internal Review.

B. Procedure

1. Activity

CKHA is authorized to perform HQS inspections on PBV units that CKHA owns, manages, and/or controls.

2. Safe Harbors

i. Quality assurance method to ensure objective analysis – The Director of Leased Housing will randomly select a sample of Quality Control (QC) inspections that have been completed within the last 30 days. The number of QC inspections will equal 5%.

ii. Participant must be able to request an interim inspection – CKHA's policy currently allows participants to request an interim inspection. This policy will not be

changed. The participants currently contact a Customer Service Specialist and/or the Inspections Coordinator after there is no resolution with the Property Manager.

- iii. **HQS inspection standards must not be altered as found at 24 C.F.R. 982.401** – CKHA currently is a demonstration site for NSPIRE-V. CKHA meets the requirements under 24 C.F.R. 982.401.a.4. All NSPIRE-V inspections are sent electronically to HUD once the inspection has been completed.
- iv. **At Department's request, CKHA must obtain services of a third-party entity to determine if CKHA-owned units pass HQS** – CKHA currently has a MOU with two other Housing Authorities if this is requested from HUD.

EXHIBIT MTW-5: MTW REQUEST FOR HARDSHIP EXCEPTION
MOVING TO WORK (MTW) REQUEST FOR HARDSHIP EXCEPTION

Printed Name: _____ **Program:** HCV ____ or PH ____

I formally request an exception to allow payment of rent at a lower tier because of the following hardship. The specified tiered rent requirement will be suspended beginning the first of the month following your request and the tiered rent that is correlated to your current income based on your hardship request will applied. CKHA will then determine whether the financial hardship exists and will make a determination within 14 business days from the date this form is returned. Please check applicable reason and provide details in the space below.

- My family has experienced a hardship due to elimination of deductions related to having \$2,500 or more out-of-pocket childcare expenses.
- My family has experienced a hardship due to reduced income that puts current gross income at a lower income tier category than the tier previously calculated.
- My family is experiencing a hardship due to other circumstances that puts current gross income at a lower income tier category than the tier previously calculated.

HOUSEHOLD'S CURRENT GROSS INCOME? _____

Please complete the section below with additional information for the hardship request:

I understand that I must provide documentation proving the hardship as determined by CKHA and that all household income will be evaluated. If CKHA determines that the request did not meet hardship standards, any retroactive rent will be collected, if applicable, through a reasonable payment agreement. **I UNDERSTAND THAT, IF APPROVED, THIS HARDSHIP AGREEMENT WILL BE IN EFFECT FOR 6 MONTHS ONLY.** If the hardship falls into the "other circumstances" category, the agreement will be for two months at \$50 minimum rent. I understand that any additional hardship requests will be determined independently by CKHA as separate requests.

I understand that I have the right to an informal hearing under grievance or hearing procedures of a Housing Authority's denial of hardship request.

I understand the above information and I have had the opportunity to ask questions.

Signature: _____ Date: _____