



fixed sources, such as payments for disability or retirement, and by increasing the acceptance of self-certification of participant assets from \$5,000 to \$50,000.

- 2) Promote participant self-sufficiency by expanding resources and staff assistance provided to program participants during their housing search, expanding current partnerships, and developing new public and private partnerships.
- 3) Expand housing choice for program participants by increasing initial rent burden limits and providing landlord incentives for participation in the Section 8 program.

These benefits and additional aspects of the MTW Plan are discussed in greater detail below and in the Executive Summary and in the MTW Plan (See Attachments). If approved by HUD, implementation of the MTW Plan will start on July 1, 2021 and the MTW Plan is scheduled through the end of FY2022/23.

### **FINANCIAL IMPACT:**

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2020/21 Adopted Budget. The MTW Plan creates savings in administrative costs which can be re-directed to the voucher program. The Housing Authority program is financed through HUD.

### **DISCUSSION:**

HUD Housing Choice Voucher (HCV) Program provides rent subsidies on behalf of very low-income Solano County households (annual income below \$46,250 for a household of four) so they can live in decent, safe and affordable housing. The SCHA program (whose jurisdiction includes the City of Dixon, City of Rio Vista, and the unincorporated areas of Solano County) is administered by the Vacaville Housing Authority by contract with Solano County. The SCHA program contributes an annual investment of approximately \$2,050,000 into the local economy through rental subsidies on behalf of approximately 290 households. HUD allocated 290 tenant-based vouchers to the SCHA each month, which includes 20 Veterans Affairs Supportive Housing Vouchers (VASH) and 19 Tenant Protection Vouchers. Currently SCHA assists approximately 173 (68%) disabled or elderly families and 242 (95%) very low-income families. As of September 2019, there was a 6,000 application waitlist for participation in SCHA's Section 8 program.

The SCHA has prepared its initial MTW plan to describe how SCHA plans to implement its MTW program starting Fiscal Year 2022 from July 1, 2021 to June 30, 2022. In preparing the plan, the Vacaville Housing Authority on behalf of SCHA held public meetings on September 14, 2020 and September 17, 2020. A draft MTW Plan was prepared based on these public meetings and has been out for public comment since September 25, 2020.

The draft MTW Plan meets HUD's MTW demonstration program goals by:

- 1) Improving cost effectiveness in housing program operations. Evaluation of data by SCHA staff shows that 90% of households receive their income from fixed sources and that 76% to 77% are disabled or elderly households. These households typically have few, if any, changes to household income or composition year to year. The MTW Plan proposes to change the time period for conducting annual recertifications for households where 90% of income is from fixed sources, such as payments for disability or retirement, from once per year to once every three years given these statistics. The MTW Plan also proposes to allow families to self-certify their assets up to \$50,000, which is an increase from the current \$5,000 asset self-certification limit. These two actions will streamline administrative functions and are anticipated to save SCHA \$11,730 in administrative and Housing Assistance Costs while also reducing the burden on families that have few, if any, changes in household income or composition from year to year.
- 2) Promote participant's self-sufficiency. This includes expanding briefing topics/activities such as warm referrals to rental or utility deposit assistance, rental profile development, reviewing credit/rental history and/or practice completing rental applications. SCHA will also use its existing and new partnerships to facilitate participant self-sufficiency. The MTW Plan contains a complete list of all the partnerships and programs implemented by SCHA.

- 3) Expand participant housing choices. To accomplish this, the MTW Plan proposes to:
  - a. Increase the affordability cap from the current 40% to 50% at initial lease;
  - b. Develop a Landlord Partnership Program (LPP) that creates financial incentives for landlords to participate in the Section 8 program by providing vacancy payments, establishing a damage claim fund, and providing additional lease incentives; and
  - c. Allow pre-qualifying unit inspections for landlords willing to participate in the program but have not yet identified an eligible tenant.

Through the MTW Plan, SCHA will request to use Housing Choice Voucher Housing Assistance Program and Administrative Fee Funds flexibly as MTW funds. The MTW funds will be used in a block grant approach to budget and implement approved MTW activities such as the LPP.

The MTW Plan also delineates future community and resident engagement opportunities to facilitate ongoing public and participant interaction. At least one public meeting and one public hearing will be held in each fiscal year with the first public meeting tentatively scheduled for September 2021. Significant dates and milestones are included on pages 9 and 10 of the MTW Plan.

Public Noticing Requirement: Public notice is required. The draft MTW Plan was made available for a 30-day public comment period, which began on September 25, 2020. The public notice was published in the Vallejo Times Herald, Dixon Tribune, and Fairfield Daily Republic.

#### **ALTERNATIVES:**

The Housing Authority may choose not to hold a public hearing nor solicit further public comments on the MTW Plan. This action is not recommended as a public hearing is required in order to have the Plan approved by the SCHA Board and ultimately approved by HUD.

#### **OTHER AGENCY INVOLVEMENT:**

The Vacaville Housing Authority, on behalf of Solano County, prepared and published the public notice, and prepared the draft MTW Plan. The SCHA will consider the final MTW Plan for approval at its November 17, 2020 meeting. If approved at that time, the Plan will be submitted to HUD by December 4, 2020. The County Administrator and County Counsel have reviewed this item and concur with the recommended action.

#### **CAO RECOMMENDATION:**

**APPROVE DEPARTMENTAL RECOMMENDATION**