



**DELAWARE STATE HOUSING AUTHORITY**

MOVING TO WORK

**ANNUAL PLAN**

FY 2026

Public Hearings: 3/18/2025 & 3/19/2025

Initial HUD Submission Date:

HUD Comment Date:

Revised Plan to HUD:

**MOVINGTOWORK  
FY 2026 ANNUALPLAN**

**TABLE OF CONTENTS**

**1.0 INTRODUCTION (page 4)**

- 1.1 Programs covered in the MTW Demonstration and included in this plan.**
- 1.2 Overview and goals of MTW program**
- 1.3 Status of MTW program and accomplishments to date**
- 1.4 Short-term goals for the current plan year**
- 1.5 Long-term goals for the current plan year**
- 1.6 Non-related housing authority information**
- 1.7 Resident Programs**
- 1.8 Homeownership Programs**
- 1.9 Security**
- 1.10 Hardship Policy**

**2.1 PLAN HOUSING STOCK (page 23)**

**A. MTW Plan: Housing Stock Information**

- **Planned new public housing units to be added during fiscal year.**
- **Planned public housing units to be removed during the fiscal year.**
- **New Housing Choice Vouchers to be project-based during the fiscal year.**
- **Other changes to the housing stock anticipated during the fiscal year.**
- **Discussion of the capital expenditure amounts.**
- **Leasing information**
- **Waiting list information**

**3.0 PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED (page 28)**

**4.1 (A.) APPROVED MTW ACTIVITIES: IMPLEMENTED ACTIVITIES – LISTED BY STATUTORY OBJECTIVE (page 32)**

- **Rent reform: elimination of accounts payable checks for utilities and minimum rent for all residents**

- **Time-limiting housing assistance for MTW participants**
- **MTW Tier I – mandatory employment and/or education requirement**
- **MTW Tier II work requirement**
- **Alternative re-certification schedule for elderly and disabled residents**
- **Rent Simplifications and Asset/Income Verifications**
- **MTW savings account and disbursements**
- **MTW case management services**
- **Removal of barriers to self-sufficiency**
- **500-unit set-aside for MTW eligible participants**
- **Wexford Village Project Based Voucher MTW Participation**
- **Biennial Inspections**
- **Landlord/Tenant Certifications of Conditions**
- **Payment Standards Increase**
- **Landlord Incentives**

**(B.) NOT YET IMPLEMENTED**

**(C.) ACTIVITIES ON HOLD**

**(D.) CLOSED OUT ACTIVITIES**

- Resident homeownership program (RHP)

**5.1 SOURCES AND USES OF FUNDING (page 54)**

- A. Planned sources and uses of MTW funds for the coming fiscal year
- B. Local asset management plan

**6.1 ADMINISTRATIVE (page 60)**

- Resolution signed by the Director adopting the Annual Plan Certification of Compliance
- Descriptions of any planned or on-going Agency-directed evaluations of the demonstration, as applicable
- Annual statement/performance and evaluation report

**ATTACHMENT A – General Order, Lobbying Disclosure, etc. (page 61)**

**ATTACHMENT B - General Housing Authority Information (page 69)**

**ATTACHMENT C – RAD Amendment (page 84)**

**ATTACHMENT D – Delaware Family Reentry Pilot Program (page 103)**

## **1.0 INTRODUCTION**

This document serves as the Delaware State Housing Authority's (DSHA) *Moving to Work* (MTW) Annual Plan for FY202, which starts July 1, 2025, and ends June 30, 2026. On April 8, 2008, DSHA adopted and signed an Amended and Restated MTW Agreement with the U.S. Department of Housing and Urban Development (HUD) that extended the program until June 30, 2018. On April 15, 2016, HUD extended the MTW agreements until 2028. On December 23, 2024, HUD extended the MTW agreements until 2038. This is a standardized agreement that HUD presented to all MTW agencies and allows DSHA to continue all current initiatives and retain the present funding allocation of the existing contract.

### **1.1 PROGRAMS COVERED IN THE MTW DEMONSTRATION AND INCLUDED IN THIS PLAN**

The DSHA MTW Demonstration includes the following programs:

- A. Low Rent Public Housing
- B. Housing Choice Vouchers
- C. Capital Fund Program
- D. Resident Homeownership Program

### **1.2 OVERVIEW AND GOALS OF MTW PROGRAM**

The three statutory objectives of the MTW Program continue to be A) to reduce costs and achieve greater cost effectiveness; B) to give incentives to families to obtain employment and become economically self-sufficient; and C) to increase housing choices for low-income families. Due to the cycle of the waiting list and preferences, DSHA's goal is to serve up to 500 families each year in the program. There was an increase in the number of MTW exempt families, elderly and disabled, especially in the Housing Choice Voucher Program. DSHA instituted changes to the resident selection process to help increase the total number of MTW participants during FY2011. This included limiting MTW exempt applicants to the first type of housing assistance available and applying time limits to market rent residents.

In the FY2012 MTW Annual Plan, DSHA expanded the MTW program from a five (5) year term limit and a Safety-Net Program to a seven (7) year term limit, with two separate tiers of participants and the Safety-Net was eliminated. During the initial five (5) years of the program, residents will participate under MTW Tier I. Tier I participants will receive case management services with an emphasis on overcoming barriers to self-sufficiency, education, financial literacy, and increasing their potential

earning income and employability. During the final two (2) years of the program, residents will be under MTW Tier II. Tier II participants will continue to receive case management services, but with an emphasis on job placement and retention and becoming ready to move out of subsidized housing by year seven (7). A Hardship Panel was created to review cases that request housing assistance beyond year seven (7) due to extenuating circumstances and went into effect in August of 2012.

The goals and objectives under the DSHA MTW Program are outlined as follows:

- A. To reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
  - 1. Combine the waiting lists for PH and Housing Choice Voucher Program with preferences consistent between the two programs.
  - 2. Increase the residents' share of the total tenant payment to 35% of adjusted gross income.
  - 3. Time-limit housing assistance for MTW participants.
  - 4. During the actual time a family is housed, it may not apply for an alternative form of subsidy.
  - 5. Enhance the quality of life and standard of living for residents participating in MTW by assisting residents in the removal of barriers to self-sufficiency (obtain driver's license, purchase vehicle, coordinate childcare).
  - 6. Increase earned income of participating families enabling them to pay more towards their rent and requiring fewer subsidies.
  
- B. To give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
  - 1. Amend waiting list preferences to include working families.
  - 2. To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant.
  - 3. All MTW participants continuously participate in case management and are offered services and/or resource referrals including job training and

placement services, computer experience, educational opportunities, and transportation stipends, as funds allow.

- C. To improve housing choices for our residents by offering or coordinating the following resources:
  - 1. Homeownership counseling and assistance.
  - 2. Budget counseling.
  - 3. Fair Market Housing counseling.
  - 4. Assistance obtaining a Low-Income Housing Tax Credit Unit.
  - 5. MTW Savings Account as income increases.
  - 6. Counseling to repair credit problems.
  - 7. Financial Literacy Education.
  - 8. Individual Development Account referral for approved participants.
  - 9. Resident Homeownership Program.

### **1.3 STATUS OF MTW PROGRAM AND ACCOMPLISHMENTS TO DATE**

The accomplishments and status are cumulative from the date that the MTW Program started.

- A. Holly Square added to the PH stock on March 1, 2000.
- B. Certificate and Voucher Programs were combined into one Housing Choice Voucher Program.
- C. Rents were increased to 35% of adjusted income for all MTW participants.
- D. PH and Housing Choice Voucher Program waiting lists were combined.
- E. Working preference added.
- F. Case management services were established, and contracts signed with two nonprofit counseling agencies for all Housing Choice Voucher Program MTW participants. All PH

residents are assigned DSHA case managers at the time they enter the Program. Effective July 1, 2008, all case management is done by DSHA Resident Services Staff.

- G. Report established to identify and monitor needs of the MTW participants.
- H. Agencies have been identified and contacts established that may provide services for unmet needs.
- I. All funds are block granted.
- J. MTW participants continue to be evaluated as they enter the program, and DSHA constantly networks with potential service providers and organizations to bring needed services to the participants and/or refer participants to services.
- K. An Individual Development Account (IDA) Program was implemented and completed in September 2006 to help qualified MTW participants develop assets. Thirty-six families completed their goals with 28 buying homes, five opening a business and three pursuing educational goals. The IDA program is now available from several outside organizations.
- L. The Resident Homeownership Program (RHP) began accepting applications in FY 2004. The RHP was revised in FY2011 to create a more realistic program and better prepare new participants to assume full homeownership responsibilities in seven (7) years. There are four families now participating in the program. DSHA closed-out the RHP during the FY2019 MTW Annual Plan year due to low participation and other more effect homeownership programs available to residents.
- M. Although DSHA's contract with NCALL has ended, we continue to provide referrals for credit repair, budget counseling, fair market housing counseling and RHP homeownership counseling for PH MTW participants. The contract was completed in 2006, and services are available through local nonprofit organizations.
- N. DSHA completed an automated MTW case management system which tracks all statistical information for both PH and Housing Choice Voucher Program MTW participants. This system also includes an automated list that ensures timely compliance with quarterly reviews and completion of annual Resident Action Plans (RAP).
- O. DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007,



requirements will be increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.)

- P. DSHA has awarded 167 educational scholarships from the MTW budget.
- Q. DSHA purchased an Adult Basic Education/GED computer program for each of its PH sites to assist residents working toward educational goals.
- R. Since MTW implementation in August 1999, 1,114 families have successfully completed the MTW Program. Three hundred and fifty-three (353) have purchased homes and 797 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. Though some of those families would undoubtedly have been successful without MTW, we feel that the majority became successful by taking advantage of the counseling and social services made available through the program as well as the savings they accumulated while in the program. (See Tables 1 & 2)
- S. DSHA created a time limit safety-net feature in FY2005. This was for families who have not been able to increase their incomes to the level where 40% of their monthly adjusted income equals or exceeds the lower of their Housing Choice Voucher Program gross rent or Voucher payment standard, or the fair market rent for their PH unit, are being transferred to safety-net status. Their total tenant payment would revert to 30% and they forfeited the money in their MTW savings account. The condition for the family to retain the rental subsidy is that they must maintain employment of at least 20 hours per week, be involved in a full-time educational program or a combination of both which equals at least 20 hours.

Families whose monthly-adjusted incomes are at or above the safety-net threshold are having their subsidy terminated. Housing Choice Voucher Program families will begin paying the full market rent to their current landlord, while Public Housing families are required to move out of the subsidized unit. All families who have remained in compliance with MTW requirements will be given the money in their savings accounts at this time. DSHA discontinued the safety-net feature effective September 1, 2011. DSHA integrated families previously in the Safety Net into the MTW program as Tier II participants. These existing residents were given one (1) year from the date of their next annual recertification to complete the revised MTW Tier II program. After the end of this 1-year period, the family stops receiving housing assistance. A participant may request that their case be reviewed by the Hardship Panel if they have extenuating circumstances supporting a continuation of housing assistance beyond the seven (7) year period.

- T. Funds from the Housing Choice Voucher Program Reserves were used to provide security fencing at two of the PH sites. After discussions with local police, it was determined that fencing along the side and rear perimeters of the sites would be the most effective and efficient way to assist city police to control and deter crime at those two sites and include cameras at Clarks Corner, Liberty Court, and Burton Village.
  
- U. Effective September 1, 2014, DSHA implemented the 500-unit set-aside option previously approved by HUD in the FY2011 Annual Plan. DSHA did not implement the set-aside option in FY2012 or FY2013 because of the integration of Safety Net families into the MTW program in FY2012. The 500-unit set-aside option allows DSHA to increase the overall number of MTW participants and create greater turnover of the waiting list. Due to the set-aside, the number of MTW participants has increased although at a slower rate than anticipated.

**TABLE 1**

**Moving to Work Savings– Participants with Savings Accounts**

**Numbers as of January 1, 2025**

Program	Current Participants*	Total MTW Savings Accounts**	Average MTW SavingsBalance
PublicHousing	177	147	\$4959.81
HousingChoice Vouchers	189	144	\$8102.49
<b>Total</b>	<b>366</b>	<b>291</b>	<b>\$6531.15</b>

\*Excluding Tier II participants. Tier II participants no longer contribute to the MTW Savings/Escrow Account.

**TABLE 2**

**Moving to Work Successful Move-outs = Total 1,114 since 1999**

**Numbers from 8/1/99 through 1/01/25**

Program	Homeownership	UnsubsidizedRental
PublicHousing	225	364
Housing Choice Vouchers	130	388
<b>Total</b>	<b>355</b>	<b>752</b>
<i>Percentage</i>	<i>32.1%</i>	<i>67.9%</i>

## 1.4 SHORT-TERM GOALS FOR THE CURRENT PLAN YEAR

The twenty-fifth year Plan will concentrate on the following items:

- Effective September 1, 2014, DSHA implemented the 500-unit set-aside option previously approved by HUD in the FY2011 Annual Plan. DSHA did not implement in FY2012 or FY2013 because of the integration of Safety Net families into the MTW program in FY2012. The 500-unit set-aside option allows DSHA to increase the overall number of MTW participants and create greater turnover of the waiting list. DSHA has continued to monitor the effectiveness of the 500-unit set-aside to determine if it is increasing MTW participation as anticipated and ensure that it is not negatively impacting the waiting list process. DSHA has not found any negative impact on the waiting list process. During FY2018, MTW participation increased because of the 500-unit set-aside, although this did not occur as quickly as originally anticipated. As of January 1, 2022, DSHA has 317 Tier I participants and 69 Tier II participants for a total of 386 MTW participants.
- During FY2025, DSHA is proposing new MTW program initiatives which will directly help residents with the increase of rent in our areas. DSHA is proposing the two new following activities. (1) Increase in Payment Standard During HAP Contract Term-982.505(c)(4). (2) Voucher Tenancy: New Payment Standard Amount-982.503(b). DSHA is proposing the activities to increase Housing Choice Voucher Payment Standards from the mandated 110% to 120% of the Fair Market Rents with our jurisdiction.
- During FY2025, DSHA is also proposing new MTW program initiatives which will directly help residents with the HCV program by introducing incentives to both current and future landlords. These incentives will increase landlord participation through financial and programmatic waivers.
- Effective July 1, 2022, DSHA modified the MTW Savings Account policy to allow for catastrophic events to the Head of Household (HOH) not of their own cause/fault, which would cause the HOH to be unable to continue MTW participation before entering Tier II. In the event of a catastrophic incident, the case manager will submit a request with documentation for approval by the Social Service Manager and Housing Management Director. At that time, DSHA will consider the direct disbursement of the MTW savings to the HOH without the application of the 60/40 split requirement. To be considered for this catastrophic exception, the MTW participant must have been in compliance with the program and contributing to the savings at the time of the event.
- In March 2020 when the State of Emergency caused by the COVID-19 pandemic became effective, DSHA MTW participants were “frozen in place” at their current Tier and year of participation level so that termination of subsidy would not occur due to DSHA MTW time limits. DSHA lifted the “freeze” effective November 30, 2021. All MTW residents were notified in the summer of 2021 of DSHA’s unfreezing plan and again 30 days prior to the effective date of the “unfreeze”.

In addition, once DSHA was able to “unfreeze” the participant time limit status, DSHA adjusted each MTW participants’ current Tier end date by an additional six (6) months. For Tier I participants, this allows the resident an additional 6 months to successfully complete the program before they move into Tier II and forfeit a portion of their MTW escrow. For Tier II participants, this will allow the resident an additional 6 months to secure housing before their housing subsidy is terminated. If the

MTW participant should have already ended the program during the “frozen” time, then they were given an additional 6 months from the date that DSHA “unfreezes” their MTW status before their subsidy is terminated.

ended the program during the “frozen” time, then they were given an additional 6 months from the date that DSHA “unfreezes” their MTW status before their subsidy is terminated.

- During 2022, Delaware as a state experienced a 4.8% unemployment rate. However as of 1/1/2023, our MTW participant unemployment rate has been approximately 2.5%. DSHA MTW participants are below the state unemployment average. DSHA case managers have worked closely with residents during and after the pandemic monitoring their employment status and providing assistance with referrals to employment opportunities, job trainings, etc.

## **1.5 LONG TERM GOALS FORTHE CURRENT PLAN YEAR**

- A. The Delaware State Housing Authority (DSHA) was a successful applicant under the Rental Assistance Demonstration (RAD) for Liberty Court and (5) Scattered Sites. As a result, DSHA has converted to Project Based Vouchers at these sites under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Liberty Court construction was completed in December 2018 and went to financial closing in November 2019.

McLane Gardens, Peach Circle and Holly Square was converted from public housing to the RAD. The CHAP was issued April 26, 2019, and the project went to financial closing on October 12, 2023. DSHA is currently in the process of the RAD-Section 18 Blend conversion of Mifflin Meadows. DSHA currently has a CHAP for Mifflin Meadows in Dover and has submitted a LIHTC application March of 2024 with a tentative construction closing for August 2024 and a tentative financial closing April 2025. Construction will soon be underway and should be completed by mid- Spring /Early Summer 2025. DSHA will be submitting additional RAD applications during the next five (5) years for Clarks Corner and Laverty Lane, finally Burton Village and Hickory Tree. These properties should go to RAD closing in FY2025-2028. In all cases, the properties are to be converted from Public Housing to Project Based Vouchers with Low-Income Housing Tax Credits. DSHA also intends to apply for Section 18 Demolition/Disposition for the ten (10) remaining homeownership and rental program scattered sites during FY2024. Proceeds for the Disposition will be used to financially assist with renovations and the conversion of the remaining Public Housing developments under the HUD RAD Program.

- B. DSHA’s long-term vision for the MTW Program will be to expand and evolve current activities, specifically to increase the successful completion rate for MTW participants, encourage homeownership and to utilize operating efficiencies. DSHA will be looking at the following areas:

1. Create additional incentives to encourage MTW participants to meet self-sufficiency goals, overcome self-sufficiency barriers and move from assisted housing in less than five years.
2. DSHA will be participating in the Delaware Tenant Rent Reporting Pilot Program in partnership with NeighborGood Partners (formerly NCALL) and Self Financial, Inc. This program is designed to build participants' credit by reporting on-time rent payments to Equifax, Experian, and TransUnion, and on time utility payments to TransUnion. Participation is 100% free and voluntary.

**Pilot participants will receive the following benefits through Self Financial, Inc.:**

- 12 months of free access to a service that will link to your bank account and detect your rent and utility payments – those payments will then be reported to the major credit bureaus to establish a history of on-time payments.
- The option to report up to 24 months of past rent payments to the credit bureaus and past utility payments to TransUnion with an active subscription and meeting eligibility requirements.
- Access to your credit score and credit insights (updated monthly), credit alerts and ID theft insurance.

**Pilot Participants will receive the following benefits through NeighborGood Partners:**

- The option to enroll in financial counseling/coaching (if you are not already receiving such).

**Participation is strictly voluntary.** LevelCredit by Self will not report missed payments to the credit bureaus; if it cannot detect a rent or utility payment for a given month, no information will be provided to the bureaus for that month.

3. DSHA, in cooperation with Delaware Office of Defense Services will be co-sponsoring a pilot expungement service program for Public Housing residents, Housing Choice Voucher participants and the public. The programs will be held one day a week at a public housing site in Kent County and one in Sussex County. Negative Criminal history can many times be a barrier to self-sufficiency, and at times restricts the accessibility to employment and housing opportunities. This pilot program is designed to help eligible clients expunge items from their criminal record providing a clean slate for the future.
4. Continue working with a Delaware non-profit agency, First State Community Action Agency to re-establish after school programs at several DSHA Public Housing sites.

## **1.6 NON-MTW RELATED HOUSING AUTHORITY INFORMATION:**

Delaware State Housing Authority (DSHA) was created in 1968. Over the past 40 years, DSHA has emerged to serve an integral role in Delaware's overall economic and social plan, demonstrated by the inclusion of the DSHA Director as part of the Governor's Cabinet in Delaware State Government. Today, DSHA functions as a government agency and an entrepreneurial developer and lending institution.

DSHA makes mortgage and other loans to both for-profit and nonprofit housing sponsors. We also extend loans to mortgage lenders and require that proceeds be used to create new residential mortgage loans. DSHA also applies for, and receives, subsidies from the federal government and other sources, in addition to issuing its own bonds and notes. In addition to its role as the State's Housing Finance Agency, DSHA is unique in that it also owns and operates Public Housing and acts as a community development agency.

Our core business focuses on preservation, new construction, homeownership, rental assistance, resident services, asset management, rehabilitation, homeless prevention, emergency and transitional housing, and community development. DSHA provides a host of programs to address Delaware's affordable housing needs, most of which are available on a statewide level.

To assist in supporting these types of assistance, DSHA also researches the nature of Delaware's housing needs through such vehicles as needs assessments, rental surveys and housing production reports. DSHA staff members serve on a variety of boards and committees related to housing.

To administer all these programs and to achieve its goal of providing affordable and safe housing for low- and moderate-income persons, DSHA employs a full-time staff of 133 and is divided into six interdependent sections: Administration, Community Relations, Housing Development, Housing Finance, Housing Management, and Policy & Planning.

In July 2011, The Delaware State Housing Authority, and its partners the Delaware Department of Health and Social Services (DHSS), and the Department of Services for Children, Youth, and their Families (DSCYF), launched a state funded voucher program called the State Rental Assistance Program (SRAP). SRAP is designed to assist low-income households who have access to continuing supportive services but require affordable housing to live safely in the community. The program will utilize SRAP vouchers administered by DSHA for households referred by DHSS and DSCYF. DHSS and DSCYF will leverage existing funds to provide supportive services to SRAP applicants during the program application, screening, and housing selection processes. After an SRAP applicant is approved and moves into the SRAP-assisted unit, DHSS, DSCYF, or an approved service provider will continue to provide supportive



services to the participant for a designated period, or until supportive services are no longer necessary.

All units subsidized by SRAP must meet the U.S. Department of Housing and Urban Development's Housing Quality Standards and must meet a Payment Standard determined by DSHA. Program participants contribute 28% of their income for rent, less a standardized utility allowance. SRAP subsidizes the remaining portion.

The State Rental Assistance Program will serve eligible applicants from the following populations:

- A) DHSS clients exiting state-supported or privately run long-term care facilities who require affordable housing to transition to community-based care.
- B) DHSS clients exiting the Delaware Psychiatric Center who require affordable housing and supportive services to live safely in community.
- C) Youth at least 18 years old and not more than 21 years' old who left foster care at age 16 or older, are receiving supportive services from the Division of Family Services (DFS) and require affordable housing to live safely in community.
- D) Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care, or in a delay of discharge of a child or children to the family from out-of-home care.
- E) Participants in the DSHA Step-Up program identified by Step-Up program administrators as unlikely to successfully transition to independent living in the community without the assistance of SRAP vouchers; and
- F) Applicants identified by case managers as at-risk of requiring supportive services from an institution.

During FY2013/2014, DSHA requested to convert its current Public Housing Home Ownership Program from a Section 5 (h) program to a Section 32 Homeownership Program. The request includes the ability to dispose of the remaining five (5) homes under the current program, to either the current occupants or other eligible buyer, within five (5) years and close-out the program.

Since the inception of the Moving to Work (MTW) program in 1999, overall resident participation in the Section 5 (h) program has slowly decreased. The overall success of DSHA's MTW program has allowed all participants the ability to save funds through individual MTW escrow accounts and provided a more accessible path to self-sufficiency and homeownership opportunities than the traditional Section 5 (h) program. While the MTW program has provided more homeownership opportunities to a greater range of residents, the Section 5 (h) program has become less effective and more burdensome to maintain and manage.

## 1.7 RESIDENT PROGRAMS

From July 1999 to the date of this Plan, DSHA has funded, partnered, obtained or coordinated annual and ongoing activities, events and programs to enhance the quality of life for our residents. One unit at two sites has been provided for activities due to space and scheduling conflicts in the community buildings at those sites.

- A. Holiday Parties - Each community has appropriate holiday celebrations in which the residents take the lead on planning and organizing the event.
- B. Computer access and instruction for youth and adults – DSHA provides computers with Internet access at all sites. The computer labs are monitored by volunteers from DSHA staff, outside agencies, GED instructors or other nonprofit organizations.
- C. Student Award Program for Honor Roll, Perfect Attendance and College Acceptance – Each year DSHA hosts a Student Award Luncheon to recognize students who make the extra effort to succeed. Winners receive a backpack filled with age-appropriate school supplies and are treated to lunch with DSHA's Director and Management staff. A guest speaker is invited to address the group. This event has been very successful and a positive motivation for the students and parents at our sites.
- D. DSHA has partnered with the University of Delaware to provide 4-H programs at three (3) sites. Services include after-school homework assistance and recreation. DSHA is working with 4-H staff to develop programs for other sites based on funding availability.
- F. DSHA has awarded **166** scholarships to MTW participants and expects to continue this service from MTW Budget funds.

- G. DSHA signed a Memorandum of Understanding with James Groves Adult High School to provide Adult Basic Education and GED classes for two communities.
- H. Children and Families First - Provides pregnancy testing, family planning material, STD testing, treatment and counseling; and also organizes resources for grandparents and relatives raising someone else's children. They currently offer support groups at two sites and are planning to offer Family Enrichment programs at 2-3 additional sites in the fall.
- I. Even Start - Offers parenting classes to families with children under the age of eight. Activities involve both parent and child(ren) at two sites.
- J. Child, Inc. - Provides one-on-one case management services upon request or referral and offers parenting classes.
- K. Consumer Credit Counseling provides financial counseling and assists with budgeting and establishing credit.
- L. Rental Assistance/Other financial assistance – Peoples Place II and First State Community Action Agency, Catholic Charities, Salvation Army, Casa San Francisco, State Service Centers, and local churches.
- M. First State Community Action Agency - Provides limited financial assistance, administers the Summer Food Service Program for Sussex County sites, and offers employment training at a center in Georgetown.
- N. Department of Labor - Provides all aspects of employment training, including assistance preparing resumes and applications and improving interviewing skills and workplace training. DSHA serves on the Workforce Investment Board for Delaware. This board administers the state's requirements and initiatives for employment and job training.
- O. Delaware Technical and Community College, Kent County Poly-Tech, Sussex Tech, Delaware State University - All institutions have various courses available for general education as well as specific job training. They require a minimum number of participants to come to DSHA sites, but individuals can go to the schools for classes. Many courses are free of charge, based on income, or have a small fee.
- P. DSHA has installed GED tutorial software at multiple sites. The program is used by instructors giving group instruction and by residents who study

independently.

- Q. DSHA participates on the Interagency Council for Adult Literacy. This is a group from various agencies that are working to address literacy issues for Delaware. The group meets regularly and continues to develop and coordinate adult literacy programs for DSHA residents.
- R. In December 2012, DSHA Resident Service's section began publishing a quarterly newsletter for residents in our public housing communities. The newsletter provides residents with DSHA updates, recipes, crafts, community happenings and articles about various life skill topics. This activity has been on hold since March 2020; however, DSHA plans to reinstate the publication in 2023.

DSHA consistently evaluates both the individual families and communities to determine the services and programs that are needed. Additionally, all MTW families are reviewed and assessed quarterly for progress on their RAP. Each year at the recertification, the family prepares a RAP for the next year. These quarterly and annual reviews/contacts enable DSHA to make current, accurate plans and recommendations for appropriate services.

The statistics from the MTW Program are reviewed and evaluated regularly to determine trends, progress, and compliance with the Program and to make recommendations for possible changes to MTW.

## **1.8 HOMEOWNERSHIP PROGRAMS**

MTW participants will be able to take advantage of several DSHA Homeownership Programs as they move out of a rental situation and into their first home. The programs include first mortgage financing and down payment assistance at below-market interest rates for both low- and moderate-income borrowers.

DSHA implemented a Resident Homeownership Program (RHP) in 2004. This program allows qualified participants from either the Public Housing or Housing Choice Voucher program to use a Housing Choice Voucher subsidy toward the mortgage for up to 15 years on a first home. To date, four (4) families have successfully purchased homes in the program.

In FY2011, DSHA made changes to the RHP program to reduce the duration of the subsidy from the 15-year period (for non-disabled, non-elderly families), and revise the calculation formula used to determine the amount of voucher assistance. These changes provide a more realistic program for the homeowner as they will be better prepared to assume all responsibility for the mortgage at the end of the subsidy period. Families that currently

participate in the RHP program will be grandfathered under the existing subsidy calculation.

After FY2011, the Resident Homeownership Program (RHP) duration is seven (7) years. Those participants prior to FY 2011 are grandfathered in at the previous 15-year duration, except elderly/disabled who can receive assistance if they continue to qualify.

The subsidy calculation is as follows:

- A. **Homeownership Assistance Payment**: Homeownership Assistance Payment (“HAP”) is the monthly amount paid to the lender by DSHA. The HAP check is issued to the participant as a co-payee with the master servicer. The HAP amount will be the monthly mortgage payment (including principal, interest, tax, and insurance escrows) less the greater of:
1. The amount left after subtracting the applicable utility allowance, from a percentage of the monthly gross income of the family (30%-1<sup>st</sup>& 2<sup>nd</sup> years, 32%-3<sup>rd</sup>& 4<sup>th</sup> years 34%-the 5<sup>th</sup>& 6<sup>th</sup> years and 34% for the 7<sup>th</sup> year), or.
  2. A percentage of the mortgage payment (including principal, interest, tax and insurance escrow), 40%-1<sup>st</sup>& 2<sup>nd</sup> years, 50%-3<sup>rd</sup>& 4<sup>th</sup> years, 60%-5<sup>th</sup>& 6<sup>th</sup> years and 70% during the 7<sup>th</sup> year.
- B. **Total Family Payment (“TFP”)**: is that portion the family must pay towards the actual mortgage amount. The TFP will be the greater of:
1. The amount left after subtracting the applicable utility allowance, from a percentage of the monthly gross income of the family (30%-1<sup>st</sup>& 2<sup>nd</sup> years, 32%-3<sup>rd</sup>& 4<sup>th</sup> years 34%-the 5<sup>th</sup>& 6<sup>th</sup> years and 34% for the 7<sup>th</sup> year), or;
  2. A percentage of the mortgage payment (including principal, interest tax and insurance escrows), 40%-1<sup>st</sup>& 2<sup>nd</sup> years, 50%-3<sup>rd</sup>& 4<sup>th</sup> years, 60%-5<sup>th</sup>& 6<sup>th</sup> years and 70% during the 7<sup>th</sup> year.

DSHA MTW participants, who have established a savings account under the program, have access to those funds for homeownership. Participants must provide verification of moving into non-subsidized housing to be eligible for these funds.

DSHA proposed to close-out the RHP effective July 1, 2018. To date, only six (6) families have participated in the program during the past thirteen (13) years, but currently only four (4) families are still in compliance and utilizing the RHP. The RHP program has had only one new client during the past five (5) year. During the same 13-year period, 205 MTW participants used other first-time homeownership programs to move from the MTW

program into homeownership. This includes DSHA’s own first-time homeownership low-interest program, which offers lower interest rates, down payment assistance and tax credits, Habitat for Humanity homeownership programs in Kent and Sussex Counties, Milford Housing Corporation Self-Help Program, and FHA/VA Loans. No new applications will be accepted or processed as of this date, and the remaining four (4) participants will continue to receive RHP assistance until the end of their individual contracts. DSHA will continue to work with MTW participants, who are interested in homeownership, utilizing the programs listed above. In addition, MTW participants are also referred to the National Council on Agricultural Life & Labor Fund, Inc. (NCALL) for homeownership counseling and credit preparedness.

DSHA held two public hearings, one in Kent County and one in Sussex County, to solicit public comment on the proposed close-out of the RHP along with other FY2019 Plan goals.

## **1.9 SECURITY**

Security cameras have been installed and are at all Rental Assistance Demonstration (RAD) and Public Housing developments either owned or managed by DSHA. The camera systems are continually upgraded. During 2022, security at all Public Housing developments were further enhanced by the installations of cameras and remote door locking systems for the main entrance to each community building/rental office. This remote system allows management staff to see who is at the entrance and be able to unlock the doors remotely. Also, during 2022, the site fencing was replaced at Laverty Lane in Bridgeville, Delaware. The old wooden stockade fencing was removed and replaced with maintenance free aluminum picket style fencing. In 2023, the old chain link fencing at Burton Village is to be replaced with aluminum picket style fencing.

DSHA meets with all local law enforcement agencies to provide some security and to participate in site prevention activities. In addition, DSHA has a “One-Strike” Policy and, through reports received from the police, DSHA tracks arrests made on DSHA properties. Through strong lease enforcement, DSHA can create a standard of pride and care that greatly inhibits drug and criminal activity.

## **1.10 HARDSHIP POLICY:**

### **A. MTW PARTICIPANTS**

During FY2012, the time limit for the MTW program increased from five (5) to seven (7) years, with two levels of participation; MTW Tier I for the first five (5) years and MTW Tier II for the final two (2) years. The Safety-Net program was eliminated. After the seventh (7<sup>th</sup>) year of participation, the participant stops receiving housing assistance. A participant may request that their case be reviewed by a Hardship Panel if they have extenuating circumstances supporting a continuation of housing assistance beyond the seven (7) year period. The three-person Hardship Panel is comprised of one (1) DSHA staff member, one (1) non-DSHA member and one (1) member from another State agency or housing advocate organization. Requests to have cases reviewed by the Hardship panel must be made at least six (6) months prior to the end of participation in the MTW program during the seventh (7<sup>th</sup>) year. All recommendations made by the Hardship Panel will be forwarded to the Housing Management Program Administrator for review.

Extenuating circumstances that may be considered include:

- Health and/or medical issues.
- Job availability and/or under-employment issues.
- Past performance of participant and adherence to MTW program requirements.
- Previous participation in DSHA sponsored or referred services and programs.
- Personal initiative of participant in achieving self-sufficiency; and
- Other extenuating circumstances.

### **B. DSHA MINIMUM RENT HARDSHIP EXCEPTIONS POLICY**

Existing families affected by the elimination of Utility Reimbursement payments, specifically in cases where the utility allowance is greater than the Total Tenant Payment (TTP), and may request an exemption from the policy when one or more of the following financial hardships exist:

1. The family has lost eligibility or are waiting for an eligibility determination for a Federal, State, or local assistance program.
2. The income of the family has decreased because of significant change in circumstances, including loss of employment, which are beyond their control.
3. The death of a household member has occurred affecting a major source of income for the family; and/or

4. Other circumstances determined by DSHA or HUD.

The hardship policy is only for existing residents. New Public Housing and Housing Choice Voucher residents that are housed after the effective date of the Utility Reimbursement Elimination Policy will not be eligible for the hardship policy.

Requests for a hardship exemption from the Utility Reimbursement Elimination Policy must be received by DSHA in writing. The resident must provide documentation with the request showing that the loss of the utility reimbursement would have a significant impact on their ability to abide by the terms of the lease.

Requests for an exemption to the Utility Reimbursement Elimination Policy will be reviewed by the Section 8 Supervisor and Housing Management Program Administrator for Housing Choice Vouchers and the Housing Manager and Regional Manager for Public Housing.

If a hardship exemption is granted, the family will be eligible to receive utility reimbursement payments no greater than \$50.00 per month. The resident would be required to re-verify the need for a hardship exemption at any annual certification or interim re-certification.

An exemption may not be provided if the hardship is determined temporary. DSHA will request reasonable documentation of hardship and documentation of whether it is temporary or long term.



**(I) GENERAL OPERATING INFORMATION**

**ANNUAL MTW PLAN**

**A. HOUSING STOCK INFORMATION**

**i. Planned New Public Housing Units**

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) FILL IN NAME AND NUMBER	0/1 Bdm	2 Bdm	3 Bdm	4 Bdm	5 Bdm	6+ Bdm	TOTAL UNITS	POPULATION TYPE**	Section 504 Accessible Units* (Mobility)	Section 504 Units* (Hearing / Vision)
Name/Number	#	#	#	#	#	#	#	Type (below)	#	#
Name/Number	#	#	#	#	#	#	#	Type (below)	#	#
Name/Number	#	#	#	#	#	#	#	Type (below)	#	#
<b>Total Public Housing Units to be Added in the Plan Year:</b>							<b>#</b>			

\* The federal accessibility standard under HUD’s Section 504 regulation is the Uniform Federal Accessibility Standards (UFAS) for purposes of Section 504 compliance (24 CFR 8.32). HUD recipients may alternatively use the 2010 ADA Standards for Accessible Design under Title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”) for purposes of Section 504 compliance, <https://www.govinfo.gov/content/pkg/FR-2014-05-23/pdf/2014-11844.pdf>

\*\* Select “Population Type” from: General, Elderly, Disabled, Elderly/Disabled, Other

**If “Population Type” is “Other” please describe:**

Description
-------------

**ii. Planned Public Housing Units to be Removed**

Public housing units that the MTW PHA anticipates will be removed during the Plan Year.

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
Mifflin Meadows/ DE004000003	54	The Delaware State Housing Authority (DSHA) hereby submits a Significant Amendment to its Public Housing Authority (PHA) Annual Plan to seek HUD Section 18 Disposition Approval for the public housing property known as Mifflin Meadows. This amendment outlines DSHA’s intention to reposition Mifflin Meadows to better align with the Authority’s long-term goals of preserving affordable housing, addressing capital needs, and ensuring financial sustainability.
Name/Number	#	Explanation
Name/Number	#	Explanation
<b>TOTAL:</b> Public Housing Units to be Removed in the Plan Year	54	

**iii. Planned New Project Based Vouchers**

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
Mifflin Meadows	54	Yes	The Delaware State Housing Authority (DSHA) hereby submits a Significant Amendment to its Public Housing Authority (PHA) Annual Plan to seek HUD Section 18 Disposition Approval for the public housing property known as Mifflin Meadows. This amendment outlines DSHA's intention to reposition Mifflin Meadows to better align with the Authority's long-term goals of preserving affordable housing, addressing capital needs, and ensuring financial sustainability.
Name	#	Yes/No	Description
<b>TOTAL:</b> Planned new Project Based Units in Plan Year	54		

**iv. Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Select one of the of the following to indicate the \*Planned Status by the end of the Plan Year: "Committed," "Leased," or "Issued." In column three, indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
---------------	----------------------------------	-------------------------------------	------	------------------------

Liberty Court	100	Lease/Issued	Yes	Conversion to RAD and renovations were completed in 2019.
McLane Gardens & Annex	50	Committed	Yes	McLane Gardens, Peach Circle & Holly Square began renovations in September 2019 and they are scheduled to go to financial closing was Fall of 2023.
Peach Circle	32	Committed	Yes	See Description Above For McLane Gardens
Holly Square	24	Committed	Yes	See Description Above For McLane Gardens
Iron Branch	12	Leased/Issued	Yes	Part of Liberty Court RAD Conversion-completed 2019
<b>Total:</b> Planned Existing Project-Based Vouchers	218			

**v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year**

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
DSHA does not anticipate any other changes to the housing stock other than the previously documented RAD conversion.

**vi. General Description of All Planned Capital Expenditures During the Plan Year**

Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
Please see detailed charts and narratives of all planned Capital Fund Expenditures in the Appendix section of this Annual Plan under Attachment B.

**B. LEASING INFORMATION**

**i. Planned Number of Households Served**

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLD TO BE SERVED**
MTW Public Housing Units Leased	3372	281
MTW Housing Choice Vouchers (HCV) Utilized	11,748	979
Local, Non-Traditional: Tenant-Based^	#	#
Local, Non-Traditional: Property-Based^	#	#
Local, Non-Traditional: Homeownership^	48	4
<b>Planned Total Households Served:</b>	<b>15,168</b>	<b>1,264</b>

\* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

\*\* "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

NOTE: MTW Housing Vouchers (HCV) listed does not include FUP (50 vouchers); VASH (25 vouchers); 811 (65 vouchers) and EHV (38 vouchers)

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
Tenant-Based	Name/#	#	#
Property-Based	Name/#	#	#
Homeownership	Resident Homeownership	48	4

- \* The sum of the figures provided should match the totals provided for each local, non-traditional categories in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category, if applicable.

**i. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing**

For HCV and Special Voucher, the jurisdiction DSHA serves has experienced a lack of available units for participants to lease in addition to significant increases in rental unit market rents. DSHA is currently examining potential landlord incentives to increase the number of potentially available units. DSHA is also in the process of improving the operation and staffing of the Waiting List Office to increase the issuance of vouchers and filling of vacant public housing units.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	The Public Housing occupancy rate during FY2022 was approximately 86%. This was due to staffing and training issues within DSHA’s Waiting List Office. The agency has taken steps to alleviate these issues including submitting an RFP for the Waiting List Office to be temporarily staffed by an outside vendor to process the backlog and provide training to new staff.
MTW Housing Choice Voucher	The Housing Choice Voucher utilization rate during FY2022 was approximately 83%. This was due to staffing and training issues within DSHA’s Waiting List Office. The agency has taken steps to alleviate these issues including submitting an RFP for the Waiting List Office to be temporarily staffed by an outside vendor to process the backlog and provide training to new staff.
Local, Non-Traditional	Description

**C. WAITING LIST INFORMATION**

**i. Waiting List Information Anticipated**

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list, and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Federal MTW Public Housing and Federal MTW Housing Choice Voucher Program	Merged (Combined Public Housing or Voucher Wait List)	11,862	Open	Yes
Liberty Court	Site-Based			Yes
McLane Gardens, Holly Square, and Peach Circle	Site Based			Yes
Wexford Village	Site-Based	0	Open	N/A
Name	Description	#	Open/Partially Open/Closed	Yes/No

**Please describe any duplication of applicants across waiting lists:**

N/A

**ii. Planned Changes to Waiting List in the Plan Year**

Please describe any anticipated changes to the organizational structure or policies of the waiting list(s), including any

opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
McLane Gardens, Holly Square & Peach Circle	Once the conversion to RAD is completed, then the waiting list will be established.
Mifflin Meadows, Laverty Lane & Clarks Corner	Once the conversion to RAD is completed, then the waiting list will be established.

### 3.0 PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

REQUIRED ELEMENTS FOR PROPOSED ACTIVITIES
<b>ACTIVITY NAME: Pre-Qualifying Unit Inspections (HCV)</b>
<b>ACTIVITY NUMBER: A-1</b>
PROPOSED PLAN YEAR: FY 2026
EFFECTIVE DATE: JULY 1, 2025
STATUTORY OBJECTIVE: Increased housing choices for eligible low-income families.
ACTIVITY DESCRIPTION: Effective July 1, 2025, The Delaware State Housing Authority (DSHA) is proposing an activity to allow prequalifying unit NSPIRE inspections (also known as a pre-inspection). Passing pre-qualifying inspections will be valid for 90 days from the passed inspection date. Participants will be able to request an interim inspection after move-in as needed.
HARDSHIP POLICY: There is no hardship policy requirement needed.
Agency goals for MTW Activity: The apartment industry relies on a seamless turnover to meet its overhead costs, and the financial implications of such delays are sufficient to deter them from participating in the program. Property owners lose rental revenue trying to get an HQS inspection scheduled for the individual apartment units...when in fact the family is ready to move in immediately. So not only do they lose but the voucher holder loses too because they are anxious to move in and find housing.
This activity will accelerate the lease-up process and minimize property owners' lost revenue during a period of vacancy and make the process closer to the unassisted rental market, which will incentivize their participation and/or retention in the voucher program all in service of increasing housing choice for voucher holders/households.
The goal of these inspections is to lessen the time it takes for a voucher holder to move into a unit and encourage participation from new landlords in BHA's service area, by offering additional customer service. New landlords can understand the current HUD inspection standards through a pre-qualifying inspection, quickly make their repairs, and then be ready for a voucher holder tenant. The voucher holder will be able to move into the unit faster because they will not be waiting for an inspection, which may fail the first time and take more time to pass a re-inspection. Landlords will decrease their vacancy time and income lost. The pre-qualifying unit inspections are part of a larger landlord incentives initiative to increase the supply of affordable housing, maintain quality landlords and units, and increase housing options in areas of opportunity. Pre-qualifying unit inspections will shorten the timeframe landlords must wait during the Request for Tenancy Approval and normal inspection process (a deterrent for some landlords) and ensure more quality units are available to voucher holders.



The MTW activity will apply to new admissions and currently assisted households. The MTW activity will apply to all family types.

The pre-inspection is valid for 90 days.

IMPACT: The cost implications of this MTW activity will decrease expenditures.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

#### **ACTIVITY METRICS INFORMATION**

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: CE#1, CE#2, CE#3 and CE#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

#### **NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency's Annual MTW Plan.

## REQUIRED ELEMENTS FOR PROPOSED ACTIVITIES

**ACTIVITY NAME: Public Housing Unit Acquisition**

**ACTIVITY NUMBER: A-2**

PROPOSED PLAN YEAR: FY 2026

EFFECTIVE DATE: JULY 1, 2025

STATUTORY OBJECTIVE: Increase housing choices for low-income families by administrative reforms to the Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Effective July 1, 2025, The Delaware State Housing Authority (DSHA) is proposing an activity to use MTW flexibility to support DHSA's Real Estate Acquisition Program and to expedite the acquisition of units and/or buildings as public housing units in Delaware State Housing Authority designated Opportunity Areas as well as Sussex County-designated General and Revitalizing Areas. Through this activity, Delaware State Housing Authority would acquire units and/or buildings without prior HUD approval, if Delaware State Housing Authority certifies that HUD site selection requirements have been met. Delaware State Housing Authority would also be able to provide a commitment to certain developers before they acquire properties that they intend to sell to Delaware State Housing Authority after rehabilitation or construction. The units acquired may be condominiums, single-family homes (four or less units), or multifamily buildings containing non-public housing units. Condominium properties with less than 10 dwelling units are excluded from this activity unless Delaware State Housing Authority acquires all the dwelling units in the association.

While DSHA would ensure that all applicable HUD and other federal requirements are met prior to acquisition, including environmental reviews, DSHA would submit appropriate documentation to the local HUD Field Office for subsequent approval. Permitted costs for acquisition and rehabilitation would be within DSHA's approved mixed income total development cost limits using the alternate cost formula previously approved by HUD. Environmental review would be completed by Delaware State Housing Authority's designated Responsible Entity.

This initiative will increase the effectiveness of Delaware State Housing Authority's efforts to expand the number of available PH units, including in mixed-income settings, by allowing Delaware State Housing Authority to take advantage of time-sensitive market opportunities for unit and/or building purchases and by expediting the acquisition process.

**Public Housing Unit Acquisition(cont.)**

Standard Metric	Unit of Measurement	Baseline	FY2026 Benchmark
HC-1: Additional Units of Housing Made Available	Number of new housing units made available for households at or below 80% AMI because of DSHA's expedited acquisition process.	0 additional public housing units were made available because of CHA CHA's expedited acquisition process. prior to FY2026.	5 additional public housing units will be made available because of this activity.
HC-3: Decrease in Wait List Time	Average applicant time on wait list in months because of DSHA expedited acquisition process.	As of FY2025, 11,313 applicants on the Public Housing Family Wait List have an average wait time of 36 months.	The average wait time for applicants on the Public Housing Family Wait List will remain stable at 36 months in FY2026.
HC-5: Increase in Resident Mobility	Number of households able to move to a better unit and/or neighborhood of opportunity because of DSHA expedited acquisition process.	0 households were able to move to a better unit and/or neighborhood of opportunity prior to FY2026 because of DSHA expedited acquisition process.	5 households will be able to move to a better unit and/or neighborhood of opportunity because of this activity.

**DATA COLLECTION:** Delaware State Housing Authority will track the number of additional public housing units made available through the acquisition process. As this activity is implemented, Delaware State Housing Authority may revise the activity's metrics.

**IMPLEMENTATION:** Attachment C, Section C (13) of CHA's Amended and Restated MTW Agreement allows acquisition of public housing sites without HUD approval, provided that the agency certifies that HUD site selection requirements have been met. Attachment C, Section B2 of CHA's Amended and Restated MTW Agreement provides that MTW Agencies may make available to Agency Partners (including related entities) the least restrictive regulatory requirements allowable for the implementation of MTW initiatives.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: Removal of Barriers to Self-Sufficiency**

**ACTIVITY NUMBER: B-3 update**

PROPOSED PLAN YEAR: FY2000

EFFECTIVE DATE: FY2026

STATUTORY OBJECTIVE: MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency.

ACTIVITY DESCRIPTION: Enhance the standard of living for residents participating in MTW by assisting residents in the removal of barriers to self-sufficiency (obtain employment, driver's license, purchase vehicle, coordinate childcare, obtain GED, enroll for college courses, expunge criminal record, clear credit history). Initiated in the FY2000 Annual Plan.

DSHA MTW participants continue to be assisted in removing barriers to self-sufficiency in areas such as transportation, education and childcare. DSHA has found that the greatest barrier to residents achieving self-sufficiency is due to credit history. As a result, DSHA case managers have been encouraging residents to complete the DSHA approved financial literacy course within the first year of MTW participation. Effective July 1, 2020, DSHA changed the financial literacy requirement from completion within 2 years down to completion within 18 months so that residents can maximize the amount of time necessary to improve their credit history to be homeownership or fair market housing ready.

Effective July 1, 2025, The Delaware State Housing Authority (DSHA) is proposing a change to the financial literacy requirement. Residents will no longer be encouraged to complete the DSHA approved financial literacy course within the first year. This will be a requirement. Residents will need to have completed the DSHA approved financial literacy course within 12 months of enrolling into the Moving to Work program. The residents prior to the start of FY2026 will be grandfathered into the 18 months completion timeframe.

IMPACT: Better prepares MTW participants to succeed in finding employment and overcoming barriers to self-sufficiency.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

### ACTIVITY METRICS INFORMATION

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: SS#3, SS#5 and SS#8.

The Yardi Case Management resident software will be utilized to track and identify performance levels and funding.

### NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY

1) Attachment C, Section B. Authorizations Related to Both Public Housing and Housing Choice Vouchers, Paragraph 1. Single Fund Budget with Full Flexibility. Section b. (iii). This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 982 and 990 as necessary to implement the Agency's Annual MTW Plan.

2) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, this authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency's Annual MTW Plan.

**4.0 (A.) APPROVED MTW ACTIVITIES: IMPLEMENTED ACTIVITIES**

<b>REQUIRED ELEMENTS FOR APPROVED ACTIVITIES</b>
<b>ACTIVITY NAME: ELIMINATION OF UTILITY REIMBURSEMENT PAYMENTS</b>
<b>ACTIVITY NUMBER: A-1</b>
PROPOSED PLAN YEAR: FY 2013
EFFECTIVE DATE: January 1, 2013
<p>STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)</p>
<p>HARDSHIP POLICY: Existing families affected by the elimination of Utility Reimbursement payments, specifically in cases where the utility allowance is greater than the Total Tenant Payment (TTP), may request an exemption from the policy when one or more of the following financial hardships exist:</p> <ol style="list-style-type: none"> <li>4. The family has lost eligibility or are waiting for an eligibility determination for a Federal, State or local assistance program.</li> <li>5. The income of the family has decreased because of significant change in circumstances, including loss of employment, which are beyond their control.</li> <li>6. The death of a household member has occurred affecting a major source of income for the family; and/or</li> <li>7. Other circumstances determined by DSHA or HUD.</li> </ol>
<p>The hardship policy is only for existing residents. New Public Housing and Housing Choice Voucher residents that are housed after the effective date of the Utility Reimbursement Elimination Policy will not be eligible for the hardship policy.</p>
<p>Requests for a hardship exemption from the Utility Reimbursement Elimination Policy must be received by DSHA in writing. The resident must provide documentation with the request showing that the loss of the utility reimbursement would have a significant impact on their ability to abide by the terms of the lease.</p>
<p>The requests for an exemption will be reviewed by the Section 8 Supervisor and Housing Management Program Administrator for Housing Choice Vouchers and the Housing Manager and Regional Manager for Public Housing.</p> <p>If a hardship exemption is granted, the family will be eligible to receive utility reimbursement payments no greater than \$50.00 per month. The resident would be required to re-verify the need for a hardship exemption at any annual certification or interim re-certification.</p>

An exemption may not be provided if the hardship is determined temporary. DSHA will request reasonable documentation of hardship and documentation of whether it is temporary or long term.

IMPACT: By eliminating the accounts payable utility check, DSHA saved approximately \$20,444 monthly or \$245,328 annually, during FY2013, not including staff time. As a result of the changes made by HUD to the required standard metrics, DSHA is establishing a benchmark and projected outcome for time savings (Metrics CE#2) effective for FY2015. These crucial funds will be reallocated to (a) supplement costs to provide current residents and their children with critical educational and financial literacy programs necessary to end the cycle of poverty or (b) fund upgrades to public housing sites.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2, CE#3 and CE#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency’s Annual MTW Plan.

An exemption may not be provided if the hardship is determined temporary. DSHA will request reasonable documentation of hardship and also documentation of whether it is temporary or long term.

IMPACT: By eliminating the accounts payable utility check, DSHA saved approximately \$20,444 monthly or \$245,328 annually, during FY2013, not including staff time. As a result of the changes made by HUD to the required standard metrics, DSHA is establishing a benchmark and projected outcome for time savings (Metrics CE#2) effective for FY2015. These crucial funds will be reallocated to (a) supplement costs to provide current residents and their children with critical educational and financial literacy programs necessary to end the cycle of poverty or (b) fund upgrades to public housing sites.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2, CE#3 and CE#5.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: Time Limit Housing Assistance for MTW Participants**

**ACTIVITYNUMBER: A-2**

PROPOSED PLAN YEAR: FY 2012

EFFECTIVE DATE: September 1, 2012

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Time-limit housing assistance for MTW participants to seven (7) years (proposed FY2012). This included an initial five (5) year period, with a two (2) year extension. The initial five (5) year period will be called MTW Tier I and the two (2) year extension will be called MTW Tier II. The previous time limit was five (5) years, with a potential one (1) year extension. #1. This improves the overall cost effectiveness of the housing programs by #2. Moving families into self-sufficiency and nonsubsidized housing, and #3. Allowing another eligible family in need of housing to participate in the MTW program.

Definition of Self-Sufficiency: Families who increase their incomes to the level where 40% of their monthly gross income equals or exceeds the fair market rent for the unit they are currently renting or a non-subsidized unit they contract to lease and move into unsubsidized rental housing or homeownership.

Effective September 1, 2012, DSHA implemented the MTW activity time-limiting housing assistance for MTW participants to 7 years. DSHA provided intensive case management and individualized financial literacy to assist residents formally in the Safety Net as they transitioned from the MTW program to either FMR or homeownership. As of this 2016 Plan, all previous Safety Net participants including families granted a hardship extension have ended their subsidy and DSHA has closed out the Safety Net component of our MTW Program.

Effective July 1, 2013, DSHA expanded the portability definition for incoming families from another PHA for the policy requirements to be consistent with those policies currently enforced to incoming families that are not porting-in from another PHA to the DSHA MTW Program. The DSHA portability policy did not previously require participants to provide proof that they had secured employment in order to meet the minimum work requirements of the DSHA MTW Program; had secured transportation to and from employment; and it did not restrict previous DSHA MTW participants from porting back in with a voucher from another PHA.

Effective July 1, 2013, any residents porting in from another Housing Authority must:

- Meet DSHA's definition of employment or be able to provide documentation that employment has been secured which will meet the minimum work requirements of DSHA's MTW Program.
- Have secured transportation to and from their place of employment.
- Not have previously participated in the MTW Program with DSHA. If a resident who previously participated in or completed the DSHA MTW

Program obtains a new voucher from another Housing Authority; they will not be permitted to port back into DSHA.

Effective September 1, 2015, DSHA further defined our existing “temporary exemption” policy to be consistent with our time-limit policy. The “end date” for participation in the DSHA MTW Program is based on the date that the resident enters the program. That established end date will remain the same regardless of the number of and duration of “temporary exemptions” that the resident receives. The subsidy will end at the completion of seven years, unless the resident receives a hardship extension of a maximum of one (1) year in accordance with our current Hardship Policy.

Effective July 1, 2017, DSHA added verbiage further clarifying our MTW participation policy. Once an MTW participant completes (whether successfully or unsuccessfully); or their participation in the program is ended due to non-compliance and/or lease violations, they cannot be added to another DSHA subsidized lease (whether public housing or housing choice voucher). If the previous MTW participant has a change in status to either elderly or disabled, then they could be added to another lease.

Effective July 1, 2018, DSHA seeks to further clarify and define our participation policy while creating a uniform guideline for all individuals either participating and/or subsequently applying for the DSHA MTW Program:

1.) Policy for Subsequent MTW Participation Co-Head/Spouse:

*\*This policy does not apply to persons who were previously classified as a DSHA MTW Head of Household. Whether they successfully or unsuccessfully completed the DSHA MTW Program, individuals previously classified as a “head of household” are not eligible to participate in the program again.*

Effective July 1, 2018, any MTW household with a co-head/spouse status member who participates in the DSHA MTW Program for more than four (4) years is not eligible for future DSHA MTW participation. Since the DSHA MTW Program is time-limited to a maximum of 7 years’ participation in case management (Tier I and Tier II combined), adult household members with more than four (4) years of participation in DSHA case management have already benefited from greater than half of the time allotted to households participating. Since DSHA has over 10,000 families on the waiting list, it is imperative that we give priority to those families who have never had the opportunity to benefit from the MTW Program.

2.) Policy for Subsequent MTW Participation Child Aged into Adult Status:

*\*This policy does not apply to persons who were previously classified as a DSHA MTW Head of Household. Whether they successfully or unsuccessfully completed the DSHA MTW Program, individuals previously classified as a “head of household” are not eligible to participate in the program again.*

Effective July 1, 2018, any MTW household with an individual who began the program with child status and that individual then aged into adult status, that individual is eligible to apply for the DSHA MTW program as a head of household regardless of the number of years they previously participated in the program.



Effective November 30, 2021, DSHA has lifted the “COVID Freeze” which had been implemented in March 2020. The “freeze” held residents at their current MTW Tier status and prevented termination of their subsidy due to the MTW time-limit when the Delaware Governor implanted the COVID State of Emergency. When the “freeze” was lifted, DSHA gave MTW participants an additional 6-months added to their current Tier status.

IMPACT: Ability to serve more people with same amount of funding. Creates increased homeownership or Fair Market rental options with the use of MTW savings. Reduces recidivism on the waiting list.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE #1, CE#2, SS#1, SS#3, SS#4, SS#5, SS#6, SS#7 and HC#3

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

- 1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan.
- 2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency’s Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: MTW Tier I- Mandatory Employment and/or Education Requirements**

**ACTIVITY NUMBER:A-3**

PROPOSED PLAN YEAR: FY 2000

MODIFIED IN PLAN YEARS: FY 2008, FY 2012, FY 2013, FY2019

EFFECTIVE DATE: July 1, 2012

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: MTW participants are required to be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements were increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.) #1. This is to stimulate an increase in resident earning potential; #2. Create a stepped requirement leading to self-sufficiency; and #3. Reduce the subsidy needed for the participant. Initially implemented in FY2000 Annual Plan, revised in the FY2008 Annual Plan.

Effective July 1, 2012 (FY2013), DSHA time-limited compliant school, education or training program participation to Tier I only. Tier I participants must begin school, education or training within years 1 through 3 of MTW participation for the time to be considered toward hourly work compliance. For MTW Tier II participants, compliance will be based on work hours only.

Effective July 1, 2013, DSHA further defined "employment" as working 20 hours or more weekly for a business paying federal, state and local taxes or a documented self-employed contractor providing a 1099 form.

Effective July 1, 2019, if the MTW participant/head of household declares that they are unable to meet the work requirement due to providing care for a minor (therefore, requesting a temporary exemption), then the MTW participant/head of household must provide medical documentation which specifically states that they are unable to work for an extended period of time (longer than 3 months) due to providing care for the minor. If the required documentation is provided, then the temporary exemption may be granted; however, due to the DSHA MTW time limits and as previously modified in FY2016 Plan, the end of subsidy date remains the same despite the issuance of a temporary exemption.

For example: If the documentation submitted by the medical provider states "that the parent needs to be available to provide care for the child", then this statement would be unacceptable for an exemption as all parents must be "available" for their children. However, if the medical documentation states "that the parent is unable to work due to providing full-time care for their disabled minor child", then this documentation would be acceptable for an exemption.

Effective July 1, 2020, DSHA modified verbiage in our employment/school requirement. If the MTW participant is completing online education from an accredited school, then those online credit hours will count toward the DSHA employment/school requirement the same as in-classroom hours.

Effective July 1, 2020, DSHA modified verbiage on our strike policy pertaining to MTW participants on the 6-month cushion for being over-income. If you are in the 6-month cushion for being over-income and purposely quit your primary employment to lower your income to remain eligible for housing assistance, then you will automatically be issued a strike for non-compliance with no 30-day re-employment window. Any resident reporting reduced income during the 6-month cushion will be required to submit documentation from the employer showing the action was beyond the participant's control such as a reduction of hours, lay-off or termination. Failure to do so will result in DSHA categorizing the reduced income as within the control of the participant such as a voluntary termination (aka "quitting the job") in which case the automatic strike for non-compliance will be issued. DSHA will consider hardship and extenuating circumstances, either through a strike hearing or the informal/formal hearing process for HCV and/or Public Housing.

IMPACT: Ability to serve more people with same amount of funding. Creates increased homeownership or Fair Market rental options with the use of MTW savings. Reduces recidivism on the waiting list.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: SS#1, SS#3, SS#4, SS#5, SS#6, SS#7 and SS#8.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 2, Local Preferences and Admission and Continued Occupancy Policies and Procedures. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R 960.206 as necessary to implement the Agency's Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: MTW Tier II Work Requirement**

**ACTIVITYNUMBER: A-4**

PROPOSED PLAN YEAR: FY 2012

EFFECTIVE DATE: July 1, 2012

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Participants who do not successfully complete the MTW program within five (5) years (under MTW Tier I) will continue to be required to work at least thirty (30) hours per week, earning no less than minimum wage, for the remaining two (2) years while under the MTW Tier II. This requirement increases the earned income of MTW Tier II participants enabling them to pay more towards their rent and requiring less overall subsidy.

Previously, the participants who did not successfully complete the MTW Program within five (5) years were eligible to continue receiving housing subsidy under a Safety-Net Program for an indefinite period. The Safety-Net has been renamed MTW Tier II and the entire program time- limited to seven years (five (5) years under MTW Tier I and two (2) years under MTW Tier II).

Effective in FY2013, MTW Tier II participant compliance is based on work hours only. School, education or training program hours will not be counted toward the work hour compliance requirement.

Effective July 1, 2013, DSHA further defined "employment" as working 20 hours or more weekly for a business paying federal, state and local taxes or a documented self-employed contractor providing a 1099 form.

Effective July 1, 2019, if the MTW participant/head of household declares that they are unable to meet the work requirement due to providing care for a minor (therefore, requesting a temporary exemption), then the MTW participant/head of household must provide medical documentation which specifically states that they are unable to work for an extended period of time (longer than 3 months) due to providing care for the minor. If the required documentation is provided, then the temporary exemption may be granted; however, due to the DSHA MTW time limits and as previously modified in FY2016 Plan, the end of subsidy date remains the same despite the issuance of a temporary exemption.

For example: If the documentation submitted by the medical provider states "that the parent needs to be available to provide care for the child", then this statement would be unacceptable for an exemption as all parents must be "available" for their children. However, if the medical documentation states "that the parent is unable to work due to providing full-time care for their disabled minor child", then this documentation would be acceptable for an exemption.

Effective July 1, 2020, DSHA modified verbiage on our strike policy pertaining to MTW participants on the 6-month cushion for being over-income. If you are in the 6-month cushion for being over-

income and purposely quit your primary employment to lower your income to remain eligible for housing assistance, then you will automatically be issued a strike for non-compliance with no 30-day re-employment window. Any resident reporting reduced income during the 6-month cushion will be required to submit documentation from the employer showing the action was beyond the participant's control such as a reduction of hours, lay-off or termination. Failure to do so will result in DSHA categorizing the reduced income as within the control of the participant such as a voluntary termination (aka "quitting the job") in which case the automatic strike for non-compliance will be issued. DSHA will consider hardship and extenuating circumstances, either through a strike hearing or the informal/formal hearing process for HCV and/or Public Housing.

**IMPACT:** Ability to serve more people with same amount of funding. Creates increased homeownership or Fair Market rental options with the use of MTW savings. Reduces recidivism on the waiting list. By continuing the work requirement in Tier II, the resident will require fewer subsidies and will continue to work to achieve self-sufficiency.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: SS#1, SS#3, SS#4, SS#5, SS#6, SS#7 and SS#8.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 2, Local Preferences and Admission and Continued Occupancy Policies and Procedures. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R 960.206 as necessary to implement the Agency's Annual MTW Plan.

**REQUIRED ELEMENTS FOR APPROVED ACTIVITIES**

**ACTIVITY NAME: Alternative Re-Certification Schedule for Elderly and Disabled Residents**

**ACTIVITYNUMBER: A-5**

PROPOSED PLAN YEAR: FY 2011

EFFECTIVE DATE: FY 2011

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Adopt alternative re-certification schedules for elderly and disabled residents. For example, re-certifying residents on fixed incomes (fixed pensions, Social Security, SSI) every other year. For the Housing Choice Voucher Program, half of the approximately 650 elderly/disabled re-certifications would be performed during FY2011, and the remaining half would be completed during FY2012. For Public Housing, which has a significantly lower elderly/disabled population, all re-certification of these individuals would be done every other year starting FY2011.

Hardship Policy: If a resident has a significant change in income or allowable medical expenses, they can request an interim recertification be completed during the years when an annual recertification is not scheduled.

IMPACT: Reduce the total number of annual re-certifications processed by PH and HCV staff, thus creating administrative efficiencies (reduction in postage costs, time savings).

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITYMETRICSINFORMATION**

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: CE#1, CE#2 and CE#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 4, Initial, Annual and Interim Income Review Process, Attachment C, Section D. Authorizations Related to Section 8 Housing Choice Vouchers Only, (1) Operational Policies and Procedures, Paragraph (c.). This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R 960.206 as necessary to implement the Agency's Annual MTW Plan.

**REQUIRED ELEMENTS FOR PROPOSED ACTIVITIES**

**ACTIVITYDESCRIPTION**

**ACTIVITYNAME: Rent Simplification sand Asset/Income Verifications**

**ACTIVITYNUMBER: A-6**

A. **ACTIVITY DESCRIPTION:** DSHA will modify the current asset verification policy to 1) simplify rent calculations; 2) create administrative time savings and 3) significantly reduce the need for dependence of client supplied bank/financial records. The policy will not require the verification or inclusion of assets less than \$25,000. The resident/applicant will instead sign a certification form if they have assets less than \$25,000. Elimination of asset verification and inclusion in subsidy calculations will have little or no effect on subsidy for the vast majority of DSHA residents. It should also be noted the during the past five years, more financial institutions are no longer completing asset verifications or are charging resident/applicant to complete the verification forms. This initiative was approved in the FY2015 Annual Plan for implementation on January 1, 2015. Implementation was delayed due to resident notifications until July 1, 2015. Implementation was completed in FY2016.

B. **STATUTORY OBJECTIVE:** Reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs (HCV)

C. **IMPACT:** With the current asset verification procedure, DSHA spends approximately 432 staff hours on PH residents and 595 staff hours on HCV residents. By modifying the current asset verification procedure, DSHA anticipates reducing the number of staff hours to 216 for PH residents and 298 for HCV residents.

D. Original effective date was January 1, 2015, but implementation was completed on July 1, 2015. Asset verification will be completed at initial and recertification.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITYMETRICSINFORMATION**

E. The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2, and CE #3.

I. The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603,5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan. Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H) -(l) of the 1937 Act and 24 C.F.R 982.508,982.503 and 982.518 A as necessary to implement the Agency’s Annual MTW Plan.



**REQUIRED ELEMENTS FOR PROPOSED ACTIVITIES**

**ACTIVITY DESCRIPTION**

**ACTIVITY NAME: PHA Inspection and Certification for HQS Standards and Waiving of Independent Entity Inspection Requirements for Project Based Voucher (PBV)**

**ACTIVITY NUMBER: A-7**

A. ACTIVITY DESCRIPTION: DSHA will perform Housing Quality Standard (HQS) inspections for all Project Based Vouchers (PBV) units in the agency portfolio, in lieu of having them completed by an independent inspection provider/agency.

B. STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms for Project Based Vouchers (PBV) in rental units converted from Public Housing (PH) to the Rental Assistance Demonstration Project Based Voucher (PBV) program and other PBV units in the portfolio.

C. IMPACT: Since DSHA is converting all its existing Public Housing to the RAD-PBV program over a multi-year period, this will eliminate the expense and administrative burden of having another entity inspect PBV/RAD units. Trained DSHA personnel would conduct these HQS inspections.

D. Original effective date will be November 1, 2020.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

E. The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2

I. The Emphasis and Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section D.5. Ability to Certify Housing Quality Standards. This authorization waives certain provisions of Section 8(o)(11 of the 1937 Act and 24 C.F.R 982.352(b) and C.F.R. 982, Subpart I as necessary to implement the Agency’s Annual MTW Plan.

Attachment C, Section D.7.d. This authorization waives certain provisions of Section 8(o)(11 of the 1937 Act and 24 C.F.R 983.103(f) and C.F.R. 982, Subpart I as necessary to implement the Agency’s Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: MTW Savings Account and Disbursements**

**ACTIVITY NUMBER: B-1**

PROPOSED PLAN YEAR: FY2000

MODIFIED IN PLAN YEARS: FY2011 and FY2012

EFFECTIVE DATE: FY2000

STATUTORY OBJECTIVE: MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency.

ACTIVITY DESCRIPTION: To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant. When a client reaches the end of the contract (5 years or less) if their income has increased to where 40% of their monthly gross income equals or exceeds the fair market rent for their unit they currently rent, or a non-subsidized unit they commit to lease or homeownership they will receive the balance of any monies in their savings account. To successfully complete the MTW Program and receive any money in the MTW savings account, the household must be following the lease and all other DSHA programs it participates in. Therefore, if an MTW participant is not in compliance with MTW program requirements, then they will not be considered a successful completion. If a client does not successfully complete the MTW Program, all savings account funds will be forfeited. Initiated in the FY2000 Annual Plan.

As of FY2011, this activity was modified to include provisions for the use of MTW saving funds. Successful MTW clients will be required to utilize at least 60% of the savings fund for homeownership/fair market rental related expenses. This includes down payment, closing costs, security deposits, utility deposits, clearing credit issues and satisfying debt for medical bills, education and transportation. The remaining 40% of the MTW savings is distributed to the client for discretionary use. Initiated in the FY2011 Plan.

For FY2012, The MTW Savings Account was expanded to include individuals in years 6 and 7 of the program. For participants that successfully complete the program before or in the fifth (5<sup>th</sup>) year of the program (under MTW Tier I), they will be eligible to utilize 100% of their MTW savings account. Contributions to the MTW Savings will stop after the 5<sup>th</sup> year. For participants in their sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) year of the MTW Program (under the MTW Tier II), they will have access to only 60% of MTW Savings in year six and 40% of MTW Savings in year 7.

Effective July 1, 2022, DSHA is proposing a modification to the MTW Savings Account policy to allow for catastrophic events to the Head of Household (HOH) not of their own cause/fault, which would cause the HOH to be unable to continue MTW participation before entering Tier II. In the event of a catastrophic incident, the case manager will submit a request with documentation for approval by the Social Service Manager and Housing Management Director. At that time, DSHA will consider the direct disbursement of the MTW savings to the HOH without the application of the 60/40 split requirement. To be considered for this catastrophic exception, the MTW participant must have been in compliance with the program.

IMPACT: Encourage residents to work at capacity rather than least amount required. Provides participants with funds to repair credit, debt issues and/or move into homeownership upon successful completion of the MTW program.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2, CE#3, CE#5, SS#1, SS#2, SS#3, SS#4, SS#5, SS#6, SS#7 and SS#8.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

1) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency. This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency’s Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: MTW Case Management Services**

**ACTIVITYNUMBER: B-2**

PROPOSED PLAN YEAR: FY2000

MODIFIED IN PLAN YEARS: FY2012, FY2013 and FY2015

EFFECTIVE DATE: FY2000

STATUTORY OBJECTIVE: MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency.

ACTIVITY DESCRIPTION: All MTW participants (MTW Tier I and Tier II) continuously participate in case management and are offered services and/or resource referrals including job training and placement services, computer experience, financial literacy classes and transportation stipends, as funds allow. Initiated in the FY 2000 Annual Plan.

During FY2012, case management activities included not only the participants within their initial five (5) year period under MTW Tier I, but those participants that continue in the program for the remaining two (2) years under MTW Tier II.

Effective July 1, 2012 (FY2013), DSHA required all MTW program participants to complete a DSHA approved Financial Literacy training course within the first two years of Tier I. If they do not complete the training, then a strike may be issued for program non-compliance. Previously, MTW program participants were required to take a Financial Literacy course, but they could do so whenever they wanted. DSHA found that for residents to receive the optimal benefits of credit repair and Financial Literacy then they must complete the program early in MTW participation. As a result, DSHA case managers have been encouraging residents to complete the DSHA approved financial literacy course within the first year of MTW participation. Effective July 1, 2020 (FY2021), DSHA will change the financial literacy requirement from completion within 2 years down to completion within 18 months so that residents can maximize the amount of time necessary to improve their credit history to be homeownership or fair market housing ready.

Effective January 1, 2015, DSHA created a Fair Market Housing Track to compliment and expand the current Financial Literacy requirement. Residents will be required to complete within 3 years additional one-on-one Fair Market Housing counseling program through our partnership with NCALL. This will further educate residents on credit repair as well as what is needed to be a success homeowner or fair market renter. If they do not complete the training, then a strike may be issued for program non-compliance. During FY2016, DSHA worked with NCALL to create a Fair Housing Training and all DSHA case managers and Resident Services staff have been trained. Due to funding restrictions, DSHA is not able to contract with NCALL to provide training to residents. However, DSHA case managers are utilizing the training they have received to assist and train residents on a case-by-case basis therefore the resident strike process is not currently in effect for non-compliance with this initiative. No changes or modifications, or any additions to Attachment C/D authorizations for the changes noted above are required.

IMPACT: Better prepares MTW participants to succeed in finding employment and overcoming barriers to self-sufficiency as they move toward Fair Market Housing or Homeownership.

DSHA modified this activity effective January 1, 2015, to include a Fair Market Housing Track to compliment and expand current Financial Literacy requirements. Residents will be required to complete within 3 years additional one-on-one Fair Market Housing counseling program through our partnership with NCALL. This will further educate residents on credit repair as well as what is needed to be a successful homeowner or fair market renter. If they do not complete the training, then a strike may be issued for program non-compliance. No changes or modifications, or any additions to Attachment C/D authorizations for the changes noted above are required.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: SS#1, SS#2, SS#3, SS#4, SS#5, SS#6, SS#7 and SS#8.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

- 1) Attachment C, Section B. Authorizations Related to Both Public Housing and Housing Choice Vouchers, Paragraph 1. Single Fund Budget with Full Flexibility. Section b. (iii). This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 982 and 990 as necessary to implement the Agency’s Annual MTW Plan.
- 2) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, this authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency’s Annual MTW Plan.

**REQUIRED ELEMENTS FOR APPROVED ACTIVITIES**

**ACTIVITY NAME: Removal of Barriers to Self-Sufficiency**

**ACTIVITY NUMBER: B-3**

PROPOSED PLAN YEAR: FY2000

EFFECTIVE DATE: FY2000

STATUTORY OBJECTIVE: MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency.

ACTIVITY DESCRIPTION: Enhance the standard of living for residents participating in MTW by assisting residents in the removal of barriers to self-sufficiency (obtain employment, driver’s license, purchase vehicle, coordinate childcare, obtain GED, enroll for college courses, expunge criminal record, clear credit history). Initiated in the FY2000 Annual Plan.

DSHA MTW participants continue to be assisted in removing barriers to self-sufficiency in areas such as transportation, education and childcare. DSHA has found that the greatest barrier to residents achieving self-sufficiency is due to credit history. As a result, DSHA case managers have been encouraging residents to complete the DSHA approved financial literacy course within the first year of MTW participation. Effective July 1, 2020, DSHA changed the financial literacy requirement from completion within 2 years down to completion within 18 months so that residents can maximize the amount of time necessary to improve their credit history to be homeownership or fair market housing ready.

IMPACT: Better prepares MTW participants to succeed in finding employment and overcoming barriers to self-sufficiency.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: SS#3, SS#5 and SS#8.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

3) Attachment C, Section B. Authorizations Related to Both Public Housing and Housing Choice Vouchers, Paragraph 1. Single Fund Budget with Full Flexibility. Section b. (iii). This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 982 and 990 as necessary to implement the Agency’s Annual MTW Plan.

4) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency’s Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: 500 Unit Set-Aside for MTW Eligible Families**

**ACTIVITYNUMBER: B-4**

PROPOSED PLAN YEAR: FY2012

EFFECTIVE DATE: September 1, 2014

STATUTORY OBJECTIVE: MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency.

ACTIVITY DESCRIPTION: To create a 500-unit set-aside for eligible MTW participants. The set-aside will be administered for both Public Housing and the Housing Choice Voucher Programs to increase the overall number MTW participants. To reach the goal of having 500 participants enrolled in the MTW program, two of every three available units/vouchers will be offered to MTW eligible applicants. Once the set-aside is reached and maintained, public housing units and vouchers would be offered based on preference and date of application.

DSHA had anticipated activating the 500-unit set-aside effective January 1, 2014. However, due to resident notification issues, DSHA activated the previously approved 500-unit set-aside for eligible MTW participants effective on September 1, 2014. DSHA did not initiate the activity during FY2012 or FY2013 due to increases in MTW eligible participants with the re-integration of Safety- Net participants into the program with the restructuring of the time-limit feature. Since most of the re-integrated Safety-Net families completed their subsidy by January 1, 2014, the number of active MTW participants decreased thereby necessitating the activation of the 500-unit set-aside. During FY2022, DSHA has monitored the effectiveness of the 500-unit set-aside to determine if it is increasing MTW participation as anticipated and ensure that it is not negatively impacting the waiting list process. DSHA has not found any negative impact on the waiting list process but the increase in MTW participation is not occurring as quickly as initially anticipated. DSHA will continue to monitor the effectiveness of this implementation during FY2023.

IMPACT: Increase the overall number of MTW participants and create greater turnover of the waiting list as successful participants complete the five (5) year MTW program.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

### ACTIVITYMETRICSINFORMATION

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: SS#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

### NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY

1) Attachment C, Section C. Authorizations Related to Public Housing, Paragraph (2). This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R 960.206 as necessary to implement the Agency's Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Section 8 Housing Choice Vouchers Only, Section 3. Eligibility of Participants, Paragraph (4), Waiting List Policies. Use of Public Housing as an Incentive for Economic Progress. This authorization waives certain provisions of Section 8 (o)(6),8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R 982 subpart E, 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: WEXFORD VILLAGE PROJECT BASED VOUCHER MTW PARTICIPATION**

**ACTIVITYNUMBER: C-2**

PROPOSED PLAN YEAR: FY2013

IMPLEMENTED PLAN YEAR: FY2015

EFFECTIVE DATE: April 2015

STATUTORY OBJECTIVE: MTW activities to improve housing choices for our residents.

ACTIVITY DESCRIPTION: In FY2013, DSHA proposed to renovate Wexford Village, a 60-unit Low Income Housing Tax Credit (LIHTC) property, in Laurel, Delaware. The property was in the extended use period of a LIHTC agreement and owned by Wexford Village Housing Corporation, a wholly owned nonprofit corporate affiliate of DSHA. DSHA had \$2.4 million in the Housing Choice Voucher Reserves. In addition to the amount from MTW HCV Reserves, DSHA issued a grant of \$582,702 in non-MTW funds, provided a low-interest loan of \$500,000 to the property and arranged for the current deferred mortgage (\$2,036,583) to be interest-free. In addition, twenty (20) existing tenant-based Housing Choice Vouchers (HCV) would be project-based at the property upon completion of renovations and the remaining units will be offered to households with annual incomes between 60% and 80% of area median income. DSHA insured that the terms of PIH Notice 2011-45 in the implementation of this activity. Below is the timeline for the renovations:

### **Wexford Village Timeline**

- **Resident Meeting – November 5, 2013-Completed**
- **Bid Opening – November 7, 2013-Completed**
- **Contract and all paperwork- Completed April 9, 2014**
- **Notice to Proceed- Completed April 21, 2014**
- **Construction Period- Completion date end of April 2015**

Project was completed per the timeline above.

As a result of the Wexford Village construction completion in April of 2015, this activity has been modified from **RENOVATION OF WEXFORD VILLAGE USING MTW HOUSING CHOICE VOUCHER RESERVES** to **WEXFORD VILLAGE PROJECT BASED VOUCHER MTW PARTICIPATION**. The 20 project-based vouchers at Wexford Village will participate in and required to complete all of the requirements of the DSHA MTW Program. However, Wexford Village Project Based Voucher participants will pay 30% of their adjusted gross income towards rent and utilities instead of 35% like the other DSHA MTW participants. As a result, due to HOME Program requirements at Wexford Village, participants receiving assistance through the Project Based Voucher are not required or capable of contributing to an escrow account since these HOME funds do not allow rent to be calculated over the 30% level. DSHA policies regarding escrow are not applicable to them. Since DSHA still wants these residents to have the opportunity to grow self-sufficient through the MTW program, they will still participate in the MTW case management, financial literacy, etc.



IMPACT: By improving housing choices for our residents, DSHA achieved one of the statutory objectives of the MTW program. After the renovation, Wexford Village added an additional 60 units of affordable housing to DSHA’s MTW portfolio, ensuring that the apartment community will

continue to remain affordable and financially viable for many years to come. In addition, DSHA provides a unique opportunity for mixed-income housing in the community by project-basing 20 existing Housing Choice Vouchers and leasing the remaining 40 units to nonsubsidized families with incomes between 60% and 80% of area median income. This enabled more families to be served by DSHA’s MTW program, over and above the 508 public housing units currently owned and managed by DSHA and the 955 vouchers currently administered by the agency.

DSHA finished construction and lease-up of vouchers is in process.

#### **ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: SS#1, SS#2, SS#3, SS#4, SS#5, SS#6, SS#7 and SS#8.

The Easy Housing resident software and manual tracking methods will be utilized to track and identify performance levels and funding.

#### **NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

- 1) Attachment C, Authorizations Related to Section 8 Housing Choice Vouchers Only, Section 1, paragraph e. – Authorization waives certain provisions of Section 8(0) (13) of the 1937 Act and 24 C.F. R 983 as necessary to implement the Agency’s annual MTW Plan.
- 2.) Attachment C, Authorization D.7.a, Establishment of an Agency MTW Section 8 Project-Based Program – Authorization waives certain provisions of Section 8(o) (13) (B and D) of the 1937 Act and 24 C.F.R 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency’s Annual MTW Plan.

REQUIRED ELEMENTS FOR APPROVED ACTIVITIES
<b>ACTIVITY NAME: BIENNIAL INSPECTIONS</b>
<b>ACTIVITYNUMBER: C-3</b>
PROPOSED PLAN YEAR: FY 2020
EFFECTIVE DATE: March 18, 2020
STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Housing Choice Voucher Programs (HCV)
<p>ACTIVITY DESCRIPTION: Adopt biennial inspection schedules for all HCV participants. This activity is a result of the COVID-19 virus, and a State of Emergency declared by the State of Delaware as of March 17, 2020. This is planned as a limited activity which may be rescinded after the State of Emergency is lifted, but DSHA reserves the right to continue the activity unless the biennial process has shown cost savings and operational benefits</p> <p>Although, this is planned as a limited activity. DSHA included it in approved activities for FY2021 because of the Annual Plan due date to HUD of April 15, 2020. As of this plan date, we are including this for FY2023 since Delaware continues to be impacted due to the pandemic. Modifications will be submitted as necessary.</p>
<p>IMPACT: Reduce and/or eliminate the need for annual inspections during the State of emergency- to limit provide social distancing and decrease the potential for spread of the virus.</p> <p>This is planned as a limited activity which may be rescinded after the State of Emergency is lifted, but DSHA reserves the right to continue the activity unless the biennial process has shown cost savings and operational benefits</p>
<b>ACTIVITYMETRICSINFORMATION</b>
The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: CE#1, CE#2 and CE#5.
The Easy Housing resident software will be utilized to track and identify performance levels and funding.
<b>NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY</b>
HUD Notice 2016-05

**REQUIRED ELEMENTS FOR APPROVED ACTIVITIES**

**ACTIVITYNAME: LANDLORD/TENANT CERTIFICATION OF CONDITIONS**

**ACTIVITYNUMBER: C-4**

PROPOSED PLAN YEAR: FY 2020

EFFECTIVE DATE: March 18, 2020

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Adopt Landlord/Tenant Certification of Condition for necessary new move-in inspections and re-inspection for HCV participants. A Self-Certification Statement will be used for the Landlord and Tenant to sign advising that the unit meets Housing Quality Standards (new Move-ins) and that all necessary repairs have been completed (annual/special inspections conducted before the COVID-19 State of emergency).

In addition, for new move-in’s, the landlord will be required to submit at least ten (1) photographs via email showing all living spaces, appliances, HVAC and Hot water equipment, safety and security (including smoke detectors. A separate checklist will be used for new move-ins-completed by the landlord and reviewed via a conference call.

This activity is a result of the COVID-19 virus, and a State of Emergency declared by the State of Delaware as of March 17, 2020. This is planned as a limited activity which may be rescinded after the State of emergency is lifted, but DSHA reserves the right to continue the activity unless the biennial process has shown cost savings and operational benefits.

Although, this is planned as a limited activity. DSHA included it in approved activities for FY2021 because of the Annual Plan due date to HUD of April 15, 2020. As of this plan date, we are including this for FY2023 since Delaware continues to be impacted due to the pandemic. Modifications will be submitted as necessary.

IMPACT: Reduce and/or eliminate the need for re- inspections during the State of Emergency-to limits provide social distancing and decrease the potential for spread of the virus.

This is planned as a limited activity which may be rescinded after the State of Emergency is lifted, but DSHA reserves the right to continue the activity unless the biennial process has shown cost savings and operational benefits

**ACTIVITYMETRICSINFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2 and CE#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section D. Authorizations Related to Section 8 Housing Choice Vouchers Only, (5) Ability to Certify Housing Quality Standards, Paragraph (c.). This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R 982 as necessary to implement the Agency’s Annual MTW Plan.

**REQUIRED ELEMENTS FOR APPROVED ACTIVITIES**

**ACTIVITY NAME: INCREASE IN PAYMENT STANDARD DURING HAP CONTRACT TERM-982.055(C)(4)**

**ACTIVITY NUMBER: C-5**

PROPOSED PLAN YEAR: FY 2025

EFFECTIVE DATE: July 1, 2024

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Effective July 1, 2024, The Delaware State Housing Authority (DSHA) is proposing an activity to increase Housing Choice Voucher Payment Standards from the mandated 110% up to 120%.

HARDSHIP POLICY: There is no hardship policy requirement needed.

In reference to the waiver for an Increase in Payment Standards during the HAP contract term 982.505(c)(4), DSHA and our participants have experienced rent increase request from existing landlords, who wish to raise rents to new amounts based on the tight rental market in Kent and Sussex Counties. This has resulted in the decreasing housing stock for voucher recipients increased family rental burdens, and in some cases forcing participants to try and locate more affordable units.

In reference to both Increase Payment Standards during the HAP Contract Term-982.505(c)(4), and Voucher Tenancy: New Payment Standard Amount-982.503(b) due to increased rental costs in Kent County (Dover MSA) and Sussex County, it is becoming increasingly difficult for our voucher participants to locate acceptable housing areas where they wish to live, including Areas of Opportunity. During the last six months, DSHA has issued 140 Housing Choice Vouchers (including special population vouchers FUP, VASH, 811 Mainstream, EHV). Of these only 19% (26 vouchers) have been leased. It is also significant to note that DSHA often allows voucher extensions exceeding the standard 120 days, to allow more time for participants to locate approvable rentals.

Finally in reference to our new proposed activity for Voucher Tenancy: New Payment Standard Amount-982.503(b), DSHA has experienced a decrease in the utilization rate for Housing Choice Vouchers and special population vouchers (i.e., FUP Vouchers, 811 Mainstream Vouchers, VASH Vouchers, EHV Vouchers). As of December 31, 2023, the utilization rate for all our vouchers has only been 78%. During the same period, DSHA has over 11,800 applicants on both our joint public housing and HCV waiting list. In addition, the MTW activity will increase overall expenditures.

This MTW activity applies to new admissions and currently assisted households. The MTW activity applies to all family types.

IMPACT: Reduce and/or eliminate the need for re- inspections during the State of Emergency-to limits provide social distancing and decrease the potential for spread of the virus.

IMPACT: DSHA voucher holders will have a greater choice of places to live. The Housing Choice Voucher staff has recognized that voucher holders in Kent and Sussex Counties are not able to rent in various developments because the rent exceeds the current payment standards. Currently, voucher holders are forced into less desirable sections of the counties or move to the adjacent county. Being forced to move to adjacent towns causes a disruption to the family by being away from other family members, current schools, friends, and community support.

**ACTIVITY METRICS INFORMATION**

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2 and CE#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency’s Annual MTW Plan.

## REQUIRED ELEMENTS FOR APPROVED ACTIVITIES

**ACTIVITY NAME: LANDLORD INCENTIVES-LOSS AND INCENTIVE PAYMENTS**

**ACTIVITY NUMBER: C-6**

PROPOSED PLAN YEAR: FY 2025

EFFECTIVE DATE: July 1, 2024

STATUTORY OBJECTIVE: Reduce costs and achieve greater cost effectiveness by administrative reforms to the Housing Choice Voucher Programs (HCV)

ACTIVITY DESCRIPTION: Effective July 1, 2024, The Delaware State Housing Authority (DSHA) is proposing an activity to increase landlord participation in the HCV program through financial and programmatic waiver incentives.

IMPLEMENTATION: Implementation of vacancy loss, damage claims, landlord incentives and front-end vacancy loss payments are anticipated to further DSHA's efforts to expand and increase housing choices for low-income families. The DSHA plans to provide these waiver activities under one HCV leasing initiative to encourage owner participation in the HCV program, attract new landlords, increase inventory of participating landlords and increase inventory of larger size rental units.

1. To incentivize an owner's continued participation in the HCV program, DSHA will make a Vacancy Loss payment to the owner. DSHA payments to an owner will be equal to no more than one month of the contract rent. The Vacancy Loss payment will be made to the owner when the next HAP contract is executed between the owner and DSHA. DSHA will update its Administrative Plan to reflect the Vacancy Loss payment and owner incentive item.
2. To incentive an owner's continued participation in the HCV program, DSHA may provide owners with a Damage Claim payment. If the HCV participant leaves the unit damaged, the amount of damage claims will not exceed the lesser of the cost of repairs or two months of contract rent. In implementing this activity, the HCV participant's security deposit must first be used to cover damages. DSHA may provide up to two months of contract rent minus the security deposit to cover the remaining repairs. The Damage Claim payment will be made to an owner when the next HAP contract is executed between the owner and DSHA. DSHA will update its Administrative Plan to reflect the Damage Claim payment and owner incentive item.
3. To incentivize new owners to join the HCV program, DSHA will provide Other Landlord incentives. DSHA will update its Administrative Plan to reflect the Other Landlord incentive payment and owner incentive item.

3a. DSHA will provide a **Signing Bonus** payment to owners leasing properties in areas located where vouchers are difficult to use, as defined in agency's Administrative Plan. The owner's payments will equal no more than one month of the contract rent. The payment will be made to the owner when the HAP contract is executed between the owner and DSHA.

3b. DSHA will provide a **Security Deposit** payment. The owner's payments will equal no more than one month of the contract rent. The payment will be made to the owner when the HAP contract is executed between the owner and DSHA.

IMPACT: By adding this activity, the MTW program will have increased expenditures.

The MTW activity will apply to all assisted HCV households.

#### ACTIVITY METRICS INFORMATION

The following “Standard HUD Metrics” will be used to quantify the changes/results expected from this activity: CE#1, CE#2, CE#3 and CE#5.

The DSHA intends to utilize internal financial reporting systems to collect and analyze data on the number of assisted units and landlords participating in the program.

*Units of Measure*- number of participating landlords, participating landlord inventory, housing search time

*Baseline*- current number of participating landlords, current number of units

*Benchmark*- increase staff time for outreach, increase staff time for landlord support, increased leasing success, decreased housing search time, reduction in terminations due to evictions, decrease in voucher extension

#### NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency’s Annual MTW Plan.

#### **4.0 (B.) Not Yet Implemented**

DSHA does not have any previously approved activities that are “not yet implemented”.

#### **4.0 (C.) Activities on Hold**

DSHA does not have any previously approved activities that are “on hold”.



**4.0 (D.) Closed Out Activities**

REQUIRED ELEMENTS FOR APPROVED ACTIVITIES
<b>ACTIVITY NAME: Resident Homeownership Program (RHP)</b>
<b>ACTIVITYNUMBER: C-1</b>
PROPOSED PLAN YEAR: FY2004
MODIFIED IN PLAN YEAR: FY2011
EFFECTIVE DATE: FY2004
<b>Close-out Date: July 1, 2018, FY2019 Plan</b>
STATUTORY OBJECTIVE: MTW activities to improve housing choices for our residents.

ACTIVITY DESCRIPTION: A Resident Homeownership Program (RHP) was created to provide eligible DSHA Housing Choice Voucher and Public Housing residents the ability to participate in a program to own a home by utilizing Housing Choice Voucher rental assistance towards the payment of a mortgage. The flexibility of the MTW program has been used to make the program accessible to Public Housing residents and other non-MTW participants, including elderly and disabled families, in addition to Housing Choice Voucher residents.

Initiated in the FY2004 Annual Plan.

In FY2011, DSHA made changes to the RHP program to reduce the duration of the subsidy from the 15-year period (for non-disabled, non-elderly families), and revise the calculation formula used to determine the amount of voucher assistance. These changes provide a more realistic program for the homeowner as they will be better prepared to assume all responsibility for the mortgage at the end of the subsidy period. Families that currently participate in the RHP program will be grandfathered under the existing subsidy calculation.

To date, only six (6) families have participated in the program during the past thirteen (13) years, but currently only four (4) families are still in compliance and utilizing the RHP. The RHP program has had only one new client during the past five (5) year. During the same 13-year period, 205 MTW participants used other first-time homeownership programs to move from the MTW program into homeownership. This includes DSHA’s own first-time homeownership low-interest program, which offers lower interest rates, down payment assistance and tax credits, Habitat for Humanity homeownership programs in Kent and Sussex Counties, Milford Housing Corporation Self-Help Program, and FHA/VA Loans. Since the RHP Program has not achieved the desired results for participation, and MTW participants are being better served by other homeownership programs offered by DSHA and other non-profit agencies in Delaware, we plan to close-out the activity for future applications.

**DSHA will sunset the RHP as of July 1, 2018, and close out the activity effective in the next Annual Report dated September 2018.** No new applications will be accepted or processed as of this date, and the remaining four (4) participants will continue to receive RHP assistance until the end of their individual contracts. DSHA will continue to work with MTW participants, who are interested in homeownership, utilizing the programs listed above. In addition, MTW participants are also referred to the National Council on Agricultural Life & Labor Fund, Inc. (NCALL) for homeownership counseling and credit preparedness.

**RHP was closed out effective July 1, 2018, due to inability to achieve desired results. DSHA found that MTW participants are better served by other available homeownership programs.**

IMPACT: To be able to utilize Housing Choice Voucher to assist eligible participants to purchase a home through this program, especially elderly/disabled (non-MTW) that do not have the opportunity to participate in MTW.

DSHA does not anticipate any changes or modifications to this activity in the upcoming Plan year.

**ACTIVITY METRICS INFORMATION**

The following "Standard HUD Metrics" will be used to quantify the changes/results expected from this activity: SS#6, SS#7, SS#8, HC#4 and HC#5.

The Easy Housing resident software will be utilized to track and identify performance levels and funding.

**NEED/JUSTIFICATION/AUTHORIZATIONS FOR MTW FLEXIBILITY**

Attachment C, Section D. Authorizations Related to Housing Choice Voucher Only, Paragraph 8. Homeownership Program (a) and (b), This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.

(II) PLANNED APPLICATION OF MTW FUNDS

ANNUAL MTW PLAN

**A. PLANNED APPLICATION OF MTW FUNDS**

**i. Estimated Sources of MTW Funds**

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule (FDS).

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$655,050
70600	HUD PHA Operating Grants	\$14,331,750
70610	Capital Grants	\$250,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$42,940
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$566,890
70000	Total Revenue	\$15,846,360

**ii. Estimated Application of MTW Funds**

The MTW PHA shall provide the estimated application of MTW funding in the plan year by Financial Data Schedule (FDS) line item. Only amounts estimated to be spent during the plan year should be identified here; unspent funds that the MTW PHA is not planning on expending during the plan year **should not be** included in this section.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$1,766,950
91300+91310+92000	Management Fee Expense	\$0
91810	Allocated Overhead	\$0
92500(92100+92200+92300+92400)	Total Tenant Services	\$6,530
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$360,960
93500+93700	Labor	\$444,330
94000(94100+94200+94300+94500)	Total Ordinary Maintenance	\$898,610
95000(95100+95200+95300+95500)	Total Protective Services	\$0
96100(96110+96120+96130+96140)	Total Insurance Premiums	\$241,270
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$942,450
96700(96710+96720+96730)	Total Interest Expense & Amortization Cost	\$0
97100+97200	Total Extraordinary Maintenance	\$0
97300+97350	HAP + HAP Portability-In	\$9,423,280
97400	Depreciation Expense	\$0
97500+97600+97700+97800	All Other Expense	\$250,000
90000	Total Expenses	\$14,334,380

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

DSHA will use the difference between Estimated Sources and Application of funds as needed to support our MTW program.

**iii. Description of Planned Application of MTW Funding Flexibility**

MTW agencies have the flexibility to apply fungibility across three core funding programs’ funding streams – public housing Operating Funds, public housing Capital Funds, and HCV assistance (to include both HAP and Administrative Fees) – hereinafter referred to as “MTW Funding.” The MTW PHA shall provide a thorough narrative of planned activities it plans to undertake using its unspent MTW Funding. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use MTW funding flexibility to direct funding towards specific housing and/or service programs and/or other MTW activity, as included in an approved MTW Plan.

PLANNED APPLICATION OF MTW FUNDING FLEXIBILITY

**(iv.) PLANNED APPLICATION OF PHA UNSPENT OPERATING FUND AND HCV FUNDING**

Original Funding Source	Beginning of FY - Unspent Balances	Planned Application of PHA Unspent Funds during FY
HCV HAP*	\$17,988,190	\$14,348,605 (see description)
HCV Admin Fee	\$0	\$0
PH Operating Subsidy	\$2,060,870	\$700,000 (see description)
<b>TOTAL:</b>	<b>\$20,049,060</b>	<b>\$15,048,605</b>

**Description of Planned Expenditures of Unspent Operating Fund and HCV Funding**

The MTW PHA shall provide a description of planned activities and/or use(s) for unexpended Operating Fund and HCV Funding. The original funding source is defined as the legacy MTW PHA’s appropriated Section 8 and Section 9 funding source(s) (HCV HAP, HCV Admin Fee, and PH Operating Subsidy). The MTW agency receives this information in their Annual Renewal Allocation, which provides a breakdown of the annual obligations for HCV HAP. For HCV Admin Fee, the biannual cash management reconciliation includes the HCV Admin Fee that has been earned at two points during the year; midyear at June 30<sup>th</sup> and end-of-year at December 31<sup>st</sup>. For the public housing operating fund unspent balance, the MTW PHA may derive their unspent funds by subtracting current assets from current liabilities in the most recent FDS submission. Current assets are the sums of FDS lines 111, 114, 115, 120, 131, 135, 142, 144, and 145. Current liabilities are the sums of FDS line 310 and 343. Table XX below represents the applicable FDS lines with definitions that MTW PHA(s) should utilize to calculate public housing operating fund unspent funds. More information on FDS line items can be found at: [https://www.hud.gov/sites/dfiles/PIH/documents/FDSLineDefinitionGuide\\_vJuly2020.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/FDSLineDefinitionGuide_vJuly2020.pdf).

Table XX: FDS Line Items Used to Calculate Public Housing Operating Fund Unspent Funds

FDS Line Number	FDS Line Item	Definition
<b>Current Assets</b>		
111	Cash-Unrestricted	This FDS line represents cash and cash equivalents in any form available for use to support any activity of the program or project.
114	Cash-Tenant Security Deposits	This FDS line represents cash in the Security Deposit Fund.
115	Cash-Restricted for Payment of Current Liabilities	This line represents restricted cash and cash equivalents that are only to be expended for specified purposes.
120	Total Receivables	This line represents the total of all receivables less the amounts established as allowances for estimated uncollectible amounts.
131	Investments-Unrestricted	This line represents the fair market value of all investments which can be used to support any activity of a program, project, activity, COCC, or entities.
135	Investments-Restricted for Payment of Current Liability	This line represents the fair market value of all investments designated for specific purposes that will be used to liquidate a current liability in the next fiscal year or offset unearned revenue.
142	Prepaid Expenses and Other Assets	This line represents all prepaid expenses. These are not expected to be converted.
144	Inter-program-Due From	This line represents amounts due from other PHA projects, programs, and activities of a temporary nature.
145	Assets Held for Sale	This line item represents assets that the entity expects to sell to qualified applicants. This line item is typically used as part of the homeownership program.
<b>Current Liabilities</b>		
310	Total Current Liabilities	This FDS line is the sum of lines 311 through 348 and represents the total of all current liabilities.
343	Current Portion of Long-Term Debt (Capital Projects/Bonds)	This line includes the current portion of debts acquired and debts issued for capital purposes of the PHA/entity.

For HCV funding, the biannual cash management reconciliation for HUD-held reserves includes both HCV and SPV reserves. MTW PHA(s)' accounting records should include sufficient detail to report on the amount that are HCV versus SPV reserves. Where possible, please identify the planned use, the estimated amount, to which funding source the planned use(s) is attributable, as well as the projected timeline or timeline update.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

HCV Planned expenses: Update the Hickory Tree Crawl Space Encapsulation: \$1,500,000, Yardi Software: \$753,922, Centralized Waiting List: \$24,683, Project-Based Vouchers: \$1,000,000, Grant for 90 Affordable Housing Units Sussex Co.: \$90,000, Addition of 20-30 Affordable Units at Mifflin Meadows: \$4,000,000, Landlord Incentives: \$130,000, Security Camera upgrades at 5 sites: \$1,250,000, United Way- Stand by Me Initiative: \$225,000, HCV Streamline Vouchers: \$75,000, Coleman CNA Academy: \$100,000, Burton Village Community Room Upgrades: \$200,000, Acquisition/New Construction of Affordable Units: \$5,000,000.

PH Planned expenses: PH Planned expenses: FY26 (and each year after) Afterschool Program at each Public Housing site with First State Community Action Agency: \$100,000, FY26, FY27 & FY27 - \$600,000 each year to assist with RAD Conversion of P/H sites.

\* Unspent HAP funding should not include amounts recognized as Special Purpose Vouchers reserves.

\*\* HUD's approval of the MTW Plan does not extend to a PHA's planned usage of unspent funds amount entered as an agency's operating reserve. Such recording is to ensure agencies are actively monitoring unspent funding levels and usage(s) to ensure successful outcomes as per the short- and long-term goals detailed in the Plan.

**(V). LOCAL ASSET MANGEMENT PLAN**

i. Is the MTW PHA allocating costs within statute?

No

ii. Is the MTW PHA implementing a local asset management plan (LAMP)?

Yes

iii. Has the MTW PHA provide a LAMP in the appendix?

Yes

iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

No changes for FY2026.

**(VI). RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION**

**i. Description of RAD Participation**

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

<b>RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION</b>
Please See Attachment C

ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

Yes/No

iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

This is not DSHA's first RAD Significant Amendment. Please see RAD Significant Amendment in Attachment C. Due to unforeseen circumstances caused by COVID, McLane Gardens, Peach Circle and Holly Square have now closed as of October 2024. DSHA plans to continue the conversion of Mifflin Meadows to RAD in FY2026.



## 6.1 ADMINISTRATIVE

- **Resolution signed by the Director adopting the Annual Plan Certification of Compliance:**

See Attachment A for General Order and Certification

- **Descriptions of any planned or on-going Agency-directed evaluations of the demonstration, as applicable; and**

A resident satisfaction survey has been developed and is sent to Public Housing residents every year.

# **AttachmentA**

**General Order, Certification**

**Statement,**

**Public Hearing Minutes and Notice Publications**

# **GENERAL ORDER NO. 696**

## **GENERAL ORDER ADOPTING THE MOVING TO WORK ANNUAL PLAN FOR FY2025**

**WHEREAS**, The Delaware State Housing Authority (DSHA) entered into a Moving to Work Restated and Amended Agreement with HUD; and

**WHEREAS**, The Moving to Work Restated and Amended Agreement requires that the Delaware State Housing Authority submit an Annual Plan; and

**WHEREAS**, The Moving to Work Restated and Amended Agreement requires certification that a public hearing was held regarding the Moving to Work Plan; and

**WHEREAS**, The Annual Plan shall describe the activities and sources and uses of funding that Delaware State Housing Authority is undertaking through the Moving to Work Program.

## **NOW THEREFORE BE IT ORDERED AS FOLLOWS:**

- 2 The Director has reviewed and approved the Moving To Work Annual Plan for FY2025.
- 3 The Delaware State Housing Authority certifies that it held a public hearing on April 24, 2024 in accordance with the requirements of the Moving to Work Restated and Amended Agreement regarding the Moving to Work Annual Plan for FY2024.

DELAWARE STATE HOUSING AUTHORITY



Cynthia Kamai,

3 May 2024

Date

## CERTIFICATIONS OF COMPLIANCE

### *U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AND INDIAN HOUSING*

#### **Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (07/01/2024), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- 4 The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- 5 The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- 6 The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- 7 The MTW PHA will carry out the Plan 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.
- 8 The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- 9 The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- 10 The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- 11 The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- 12 In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- 13 The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- 14 The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- 15 The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

- 3 The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- 4 The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- 5 The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 6 The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- 7 With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 8 The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 9 The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 10 The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- 11 The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- 12 All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.


Delaware State Housing Authority  
**MTW PHA NAME**

DE004/DE901  
**MTW PHA NUMBER/HA CODE**

*I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

Cynthia Karnai  
**NAME OF AUTHORIZED OFFICIAL**

Director  
**TITLE**

  
**S**

3 May 2024  
**DATE**

\* ***Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.***



**PUBLIC HEARING NOTICE  
ON THE FY2026 MOVING TO WORK ANNUAL PLAN**

Notice is given that the Delaware State Housing Authority (DSHA) will conduct two Public Hearings concerning the submission of their Moving to Work Annual Plan for FY2026 to the U.S. Department of Housing and Urban Development (HUD). This Plan outlines the activities of the Moving to Work Program as well as the sources and uses of funding that DSHA will implement during the twenty-fifth year of the Moving to Work Demonstration.

DSHA is proposing two new MTW initiatives in the FY2026 Annual Plan. DSHA new activities include increasing Housing Choice Voucher Payments Standards and landlord incentives for DSHA landlord participants. In addition, DSHA will discuss other potential administrative changes or additions to the Public Housing and Housing Choice Voucher Admissions and Occupancy (A&O) policies.

DSHA will hold two public hearings via phone/teleconferencing. Please see the information below if you would like to participate in one of the following hearings for the FY2025 Moving To Work (MTW) Annual Plan.

**FIRST MTW PUBLIC HEARING ON:**

**Wed, Apr 24, 2024, 5:00 PM (EDT)**

You can dial in using your phone.

United States (Toll Free): 1 302 504 8986

United States: 1(302) 504-8986

**Access Code:** 232-639-66#

**SECOND MTW PUBLIC HEARING ON:**

**Thu, April 25, 2024, After 5:00 PM (EDT)**

You can dial in using your phone.

United States (Toll Free): 1 302 504 8986

United States: 1 (302) 504-8986

**Access Code:** 895-842-755#

A copy of the Draft Plan will be available for inspection and review at DSHA's offices during normal business hours, Monday through Friday, at 18 The Green, Dover and each Public Housing development beginning March 25, 2024. The Plan will also be available on the DSHA website, [www.dstatehousing.com](http://www.dstatehousing.com) beginning March 26, 2024. After the end of the comment period on May 13, 2024, the Plan will be finalized and submitted to HUD for final approval.

Written comments, questions or requests for additional information, including copies of the Plan itself, should be directed to Doris Hall of DSHA at 302.739.7419. TTY/ ASCII/ VOICE/ VCO users may utilize the Telecommunications Relay Services (TRS) at 800.676.3777.

Delaware State Housing Authority  
Telephone (302) 739-7419  
Equal Opportunity Employer



# INDEPENDENT NEWSMEDIA INC. USA

110 Galaxy Drive • Dover, DE • 19901 • 1-800-282-8586

**State of Delaware:**

**County of Kent:**


Before me, a Notary Public, for the County and State aforesaid. G. Konrad La Prade, known to me to be such, who being sworn according to law deposed and says that he is the Publisher of **Delaware State News**, a daily newspaper published at Dover, County of Kent, and State of Delaware, and that the notice, a copy of which is hereto attached, as published in the **Delaware State News** in its issue of 03/24/24, 04/05/24, 04/10/24, 04/19/24, 04/24/24.



Publisher  
Independent Newsmedia Inc. USA

Sworn to and subscribed before me this 24th Day of April, A.D., 2024



  
\_\_\_\_\_  
Notary Public



**PUBLIC HEARING NOTICE  
ON THE FY2025 MOVING TO WORK ANNUAL PLAN**

Notice is given that the Delaware State Housing Authority (DSHA) will conduct two Public Hearings concerning the submission of their Moving To Work Annual Plan for FY2025 to the U.S. Department of Housing and Urban Development (HUD). This Plan outlines the activities of the Moving To Work Program as well as the sources and uses of funding that DSHA will implement during the twenty-fifth year of the Moving To Work Demonstration.

DSHA is proposing two new MTW initiatives in the FY2025 Annual Plan. DSHA new activities include increasing Housing Choice Voucher Payments Standards and landlord incentives for DSHA landlord participants. In addition, DSHA will discuss other potential administrative changes or additions to the Public Housing and Housing Choice

Voucher Admissions and Occupancy (A&O) policies.

DSHA will hold two public hearings via phone/teleconferencing. Please see the information below if you would like to participate in one of the following hearings for the FY2025 Moving To Work (MTW) Annual Plan.

**FIRST MTW PUBLIC HEARING ON:  
Wed, Apr 24, 2024, 1:00 PM (EDT)**  
You can dial in using your phone.  
United States (Toll Free): 1 302 504 8986  
United States: 1 (302) 504-8986  
Access Code: 232-639-66#

**SECOND MTW PUBLIC HEARING ON:  
Thu, April 25, 2024, 5:00 PM (EDT)**  
You can dial in using your phone.  
United States (Toll Free): 1 302 504 8986  
United States: 1 (302) 504-8986  
Access Code: 895-842-755#

A copy of the Draft Plan will be available for inspection and review at DSHA's offices during



**Cape-Gazette**

**AFFIDAVIT**

To: Delaware State Housing  
Authority 18 The Green  
Dover, DE 19904

[ Public Hearing FY2025 ]

The attached notice was published in the Cape Gazette on the following

dates: April 5, 2024

\_\_\_\_\_

April 9, 2024

\_\_\_\_\_

April 12, 2024

\_\_\_\_\_

April 16 2024

\_\_\_\_\_

\_\_\_\_\_

*Elizabeth Tedley*  
For the Cape Gazette

*Melissa Perdue*  
Melissa Perdue (Notary)



## **AttachmentB**

### **Section II:**

## **GeneralHousingAuthorityOperatingInformation**

**CAPITALFUNDEXPLANATION/EXPENDITURES,**

**WAITLIST EXPLANATIONS,**

**SOURCES AND USES OF FUNDS NARRATIVE**

- **SIGNIFICANTCAPITALEXPENDITURESBYDEVELOPMENT-FY2022**

This section compares FY2021 budgeted capital work with the actual FY2022 Capital Expenditures by property.

**Table 3**

<b>ACTIVITY</b>	<b>COMMUNITIES</b>	<b>ORIGINAL BUDGET</b>	<b>REVISED BUDGET</b>	<b>EXPENDED</b>
Professional Fees – Perimeter Fencing	Burton Village	18,000.00	22,370.00	7,405.50
Maintenance Shed Install	Burton Village	10,000.00	7,150.00	7,150.00
Professional Fees – Perimeter Fencing	Laverty Lane	18,000.00	33,950.00	25,790.93
Professional Fees-Crawl Space Testing & Bid	Hickory Tree	15,881.00	3,505.69	3,505.69
Grant to RAD Project Conversion	Mifflin Meadows	400,000.00	300,000.00	283,457.22
Management Improvements- Printing& Bid Advertising	Various Sites	8,000.00	1,000.00	790.30
Administrative Costs	Authority Wide	124,394.73	124,394.73	124,394.73
<b>Capital Program Totals</b>		<b>\$675,032.00</b>	<b>\$729,419.45</b>	<b>\$452,494.37</b>

**DISCUSSIONOF THE CAPITALEXPENDITUREAMOUNTS:**

Professional fees for bidding process to install new perimeter fencing has begun at Laverty Lane and Burton Village.

Crawl space testing and bid documents for Hickory Tree.

**CAPITAL PLANS:**

**A. STATEMENT OF EXISTING NEEDS**

The total amount of DSHA existing capital needs is approximately \$2,226,861 which is \$ 7,678.84 per unit. These funds will be used over a five-year period to modernize and update our developments, some of which are 30 years old.

DSHA has received on average \$899,392 annually for the past five years. The FY2020 Capital Fund Program was funded at \$810,861.

**B. PLANNED CAPITAL EXPENDITURES**

The five-year capital plan for DSHA is broken down by fiscal year. The appropriate planning process and public hearings were held to get input from our residents and the public.

Table 4 that follows shows our five-year capital plan, including the planned use of the most recent funding.\*

**TABLE 4**

**Five Year Capital Plan**

	FY2023	FY2024	FY2025	FY2026	FY2027
Physical Improvements	637,861	387,000	270,000	0	0
Administration	118,000	118,000	118,000	0	0
Management Improvements	15,000	15,000	15,000	0	0
Fees & Costs	40,000	40,000	40,000	0	0
<b>TOTAL</b>	<b>810,861</b>	<b>560,000</b>	<b>443,000</b>	<b>0</b>	<b>0</b>

**Table 5****Capital Expenditures Planned for FY2022**

Capital Project (list by Name)	Total Planned Expenditure in Current Year (specify year)	
Clarks Corner	\$ 275,000	2023
McLane Gardens	\$ 0	2023
Peach Circle	\$ 0	2023
Mifflin Meadows	\$ 0	2023
Burton Village	\$ 38,500	2023
Laverty Lane	\$ 256,500	2023
Hickory Tree	\$ 31,861	2023
Scattered Sites – Phase I	\$ 0	2023
Holly Square	\$ 0	2023
Scattered Sites – Phase II	\$ 36,000	2023
<b>Total</b>	<b>\$ 637,861</b>	

**PHYSICAL NEEDS ASSESSMENT**

**TABLE 6**

		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>MIFFLIN MEADOWS: DE004000003</b>	<b>COST</b>					
<b>Total</b>	0	0	0	0	0	0

<b>BURTON VILLAGE: DE004000004</b>	<b>COST</b>					
RAD Conversion Funding Source	250,000		250,000			
Perimeter Fence	412,000					
Entrance Signs	13,500	13,500				
Basketball Court Renovations	25,000	25,000				
<b>Total</b>	700,500	38,500	250,000	0	0	0

<b>MCLANE GARDENS: DE004000005</b>	<b>COST</b>					
<b>Total</b>	0	0	0	0	0	0

<b>Laverty Lane: DE004000008</b>	<b>COST</b>					
RAD Conversion Funding Source	250,000	250,000				
Entrance Sign	6,500	6,500				
<b>TOTAL</b>	256,500	256,500	0	0	0	0

<b>Scattered Sites-1; DE004000010</b>	<b>COST</b>					
Replace Sidewalk and Steps	5,000		5,000			
Roof Replacement	20,000		20,000			
Driveway Paving	15,000		15,000			
Kitchen Rehabilitation	15,000		15,000			
HVAC Upgrade	20,000		20,000			
<b>TOTAL</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PHYSICAL NEEDS ASSESSMENT- 2**

		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Hickory Tree: DE004000013</b>	<b>COST</b>					
RAD Conversion Funding Source	250,000			250,000		
Perimeter Fence	400,000					
Entrance Sign	6,500	6,500				
Crawl Space Rehabilitation	55,361	15,361	20,000	20,000		
Play Area Pavilion	10,000	10,000				
<b>TOTAL</b>	<b>721,861</b>	<b>31,861</b>	<b>20,000</b>	<b>270,000</b>	<b>0</b>	<b>0</b>

<b>Scattered Sites-2; DE004000015</b>	<b>COST</b>					
HVAC Upgrade	6,000	6,000				
Regrading Drainage Remediation	15,000		15,000			
Roof Replacement	15,000	15,000				
Replace Front/Back Storm Doors	7,500	7,500				
Kitchen Rehabilitation	7,000		7,000			
Driveway Paving	20,000		20,000			
Bathroom Rehabilitation	7,500	7,500				
<b>TOTAL</b>	<b>78,000</b>	<b>36,000</b>	<b>42,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CLARKS CORNER: DE004000016</b>	<b>COST</b>					
RAD Conversion Funding Source	250,000	250,000				
Basketball Court Renovations	25,000	25,000				
Maintenance Shop Addition	80,000					
Bicycle Path	40,000					
<b>Total</b>	<b>395,000</b>	<b>275,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PHYSICAL NEEDS ASSESSMENT- 3**

		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>PEACH CIRCLE: DE004000019</b>	<b>COST</b>					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>HOLLY SQUARE: DE004000019</b>	<b>COST</b>					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Administration</b>		118,000	118,000	118,000	0	0
<b>Management Improvements</b>		15,000	15,000	15,000	0	0
<b>Fees</b>		40,000	40,000	40,000	0	0

\* 2,226,861

<b>TOTAL</b>	<b>810,861</b>	<b>560,000</b>	<b>443,000</b>	<b>0</b>	<b>0</b>
--------------	----------------	----------------	----------------	----------	----------

\* Total excludes soft costs such as management, administration and fees.



## 2.1 WAITING LIST INFORMATION

### o DESCRIPTION OF ANTICIPATED CHANGES IN WAITING LISTS (COMMUNITY WIDE)

The waiting list is a combined list for Housing Choice Voucher Program Vouchers and Public Housing. MTW applicants are provided the type of housing that is available when their name comes to the top of the list. The waiting list has been open since 1991, and DSHA anticipates that it will remain open. Prior to the commencement of MTW, the wait for housing ranged from about 8 months for some bedroom sizes in Public Housing, to about 22 months for a Housing Choice Voucher. Currently, the wait for those with an MTW preference and the elderly/disabled is approximately 12-60 months for Public Housing and 36-60 months for the Housing Choice Voucher Program.

DSHA eliminated the subsidy choice between Public Housing and Housing Choice Vouchers for elderly and disabled families during FY2012. With this change, all applicants (MTW participants and exempt elderly/disabled applicants) are required to accept the form of subsidy offered (Public Housing or HCV). If the applicant desires a form of subsidy other than what is offered (Public Housing or HCV), their name will be placed on the bottom of the waiting list based on the date of refusal. During FY2022, DSHA will continue to monitor the effectiveness of the 500-unit set-aside to determine if it is increasing MTW participation as anticipated and that it is not negatively impacting the waiting list process. As previously stated during FY2021, DSHA found that the 500 unit set-aside is increasing MTW participation as anticipated but not at the rate anticipated.

### o DESCRIPTION OF ANTICIPATED CHANGES IN THE NUMBER OF FAMILIES ON THE WAITING LIST DURING FY2022

Based on the number of applications received in the past six months, we anticipate that the total number of applicants on the waiting list to increase during FY2022. The waiting list has 8,701 families actively waiting for housing. During FY2021, the waiting list office completed a comprehensive purge of non-qualified residents from the active list thus accounting for the decrease from 17,212 to 8,701.

DSHA revised existing Waiting List procedures to ensure that MTW Eligible and MTW Exempt (elderly, disabled) applicants are treated equally in that they have no choice in the type of housing subsidy they receive (Public Housing or Housing Choice Voucher), unless there is a verifiable need and request for a Reasonable Accommodation. This revised policy should increase the overall number of MTW applicants receiving housing choice vouchers.

Effective September 1, 2014, DSHA implemented the 500 unit set-aside option previously approved by HUD in the FY2011 Annual Plan. The 500 unit set-aside option allows DSHA to increase the overall number of MTW participants and create greater turnover of the waiting list. Previously, DSHA sent out approximately 400-600 letters monthly to families on the waiting list requesting updated status information in order to purge households. In an effort to save staff time and administrative costs, DSHA will only send letters to the top 1000 households on the waiting list every 6 months requesting updated status information.

**Table 11****Number of Households on the Waiting List by Bedroom Size on January 1, 2023**

<b>Combined Public Housing and Housing Choice Voucher Waiting List</b>							
	Total Households		January 2023				
	JAN 2022	JAN 2023	1 BR	2 BR	3 BR	4 BR	5 + BR
Family	8,654	8,764	2,605	3,238	2,246	602	73
Elderly/Disabled	4,040	3,515	2,336	695	366	100	18
<b>Total</b>	<b>12,694</b>	<b>12,279</b>	<b>4,941</b>	<b>3,933</b>	<b>2,612</b>	<b>702</b>	<b>91</b>

## **V.1. PLAN. SOURCES AND USES MTW FUNDS**

### **A. MTW PLAN: SOURCES AND USES OF MTW FUNDS**

#### **ESTIMATED SOURCES OF MTW FUNDING FOR THE FISCAL YEAR**

The Agency's MTW Planned Sources of MTW funds for FY25 consist of Total Tenant Revenue, HUD PHA Operating Grants, Capital Grants, Interest Income and Other Income. These funding streams, each with their own funding methodologies, are described below.

- o Total Tenant Revenue.** The estimated Public Housing tenant revenue was determined by an analysis of October, November, and December 2023 rent roll (dwelling rent less MTW escrow savings) by site, FY23 actuals and FY24 year-to-date (YTD) income. The FY25 dwelling rental income is estimated at \$647,790. Each site's number of units was multiplied by their average PUM for the 3 months and then multiplied by 12 months. This amount is higher than FY23 actuals of \$590,310 and the FY24 budgeted amount of \$538,970.
- o HUD PHA Operating Grants.** The HUD PHA Operating Grant consists of Public Housing Operating Grant and Housing Choice Voucher.

The agency receives an Operating Grant for its Public Housing units that is calculated in two parts: utility and non-utility. The amount of non-utility subsidy is determined by the per unit non-utility subsidy that the agency received in the prior year. This figure is then adjusted annually for inflation. The agency receives a subsidy equal to the utility consumption, on a three-year rolling base, that was in place for the MTW base year (FY99) and is then adjusted by current utility rates. HUD has approved the CY24 Subsidy. The FY25 Subsidy Revenue has been calculated using 100% of the FY24 annualized amount resulting in a budgeted amount of \$2,326,050.

The Housing Choice Voucher funding that the agency received in prior years was a function of the average monthly subsidy paid for each Section 8 Existing and/or Voucher unit in the year before MTW. This figure was then adjusted annually from MTW year two forward, for inflation and multiplied by the number of Section 8 Vouchers (under MTW, all contracts are called vouchers) units per original ACC contracts (905 units), and again by 12 months, to determine the annual Section 8 Block Grant. However, starting in January 2005, Housing Choice Voucher funding is being awarded by calendar year. The FY25 budgeted amount of \$10,804,240 was calculated by adding 2% to the budgeted HAP expenses plus \$152,230/month for administrative expenses.

- o Capital Grants.** Typically, an agency receives a proportionate share of the national appropriation for modernization based on its "formula factor", a figure that considers the agency's needs relative to the nation as a whole. Under MTW, this formula factor is, for all practical purposes, frozen during the demonstration period, regardless of any changes in the agency's Public Housing stock.

In accordance with new guidelines under GAAP, the income reported as budgeted to be received from the Public Housing Capital Grant is the expense amount that the agency actually anticipates incurring in all prior-year funds, not necessarily the amount that the agency anticipates being awarded in new funds in FY25, which often takes up to three years

to expend. Please see Capital Fund "Awarded Budget" as shown in Section 2.0 of this Plan.

- o **Interest Income.** Interest Income has reduced substantially. Effective 1/1/2012, money markets accounts were changed to checking accounts. The checking accounts are non-interest-bearing accounts. The MTW Reserve Account is a money market account, so it earns minimal interest. In FY23, the interest rates rose slightly, therefore the interest income budget for FY25 is higher than in FY24. FY25 interest on this account is estimated at \$24,150.
- o **Other Income.** Daycare Centers in the community buildings of Lavery Lane and Hickory Tree generate monthly income in the amount \$800 and \$750 respectively. Public Housing laundry machines are supplied by a vendor and the Authority receives 50% of the revenue generated. Additionally, DSHA receives periodic credits to the PH Operations bank account for the solar panels located at Mifflin Meadows and Hickory Tree. Also included in other income are maintenance charges, court fees, and late fees received from residents and MTW savings forfeitures. Savings forfeitures for the period July 2023 through December 2023 were \$75,720.

Section 8 Housing Choice Vouchers receives other income from reimbursable portable vouchers, fraud recovery payments, and forfeitures of MTW Escrow savings. Savings forfeitures for the period July 2023 through December 2023 were \$170,780. This is higher than the previous year. The forecast for other income was derived from FY23 YTD actuals and FY24 YTD annualized receipts.

## **ESTIMATED USES OF MTW FUNDING FOR THE FISCAL YEAR**

The Agency's planned uses of MTW funds for FY25 consists of Total Operating – Administrative, Total Tenant Services, Total Utility, Labor, Total Ordinary Maintenance, Total Insurance Premiums, Total Other General Expenses, and HCV Housing Assistance Payments. Expenses are calculated after reviewing prior year expense levels plus an inflation factor and adding any new contractual obligations. A broad overview by Program is listed below.

- o **Total Operating - Administrative.** Total Operating - Administrative includes salaries, legal, staff training/travel, auditing fees, other fees, supplies, and postage. FY25 budgeted amount is slightly higher than FY24 budgeted amount.
- o **Total Tenant Services.** Total Tenant Services expenses include education and recreational activities for children, internet access at all sites, and funding for organized tenant councils. Expenses formerly paid by the Resident Services Assistance Grant, including scholarship opportunities for residents, have been moved to this line.
- o **Total Utility.** The expense for lighting, heating and providing water and sewer to all sites was based on FY23 Actual and estimated FY24 expenses.
- o **Labor.** Labor includes maintenance salaries of public housing site personnel, which includes a proposed 2% salary increase for FY25.
- o **Total Ordinary Maintenance.** Total ordinary maintenance expenses include building materials, supplies, and contractual costs including trash pickup, grasscutting, snow removal, exterminating and routine painting of empty units at all sites.

- o **Total Insurance Premiums.** Total Insurance Premiums includes insurance coverage costs for Public Housing and Housing Choice Voucher personnel and properties. A 25% increase is anticipated in FY25 due to increased property limits and rate increases.
- o **Total Other General Expenses.** Total Other General Expenses includes payments in lieu of taxes to counties and school districts, benefit contributions for administrative and maintenance employees, and any loss on collections.
- o **Housing Assistance Payments.** The Housing Assistance payments includes payments to landlords which for FY25 is budgeted at \$8,801,480. This amount reflects an increase from the FY24 budgeted amount due to increased utilization. Effective 1/1/2013, residents no longer receive utility allowance checks.
- o **Capital Grant Expenses.** Capital Grant expenses are expenses for general equipment, air conditioning/heating upgrades, land improvements and building/ground improvements at Public Housing sites in excess of the capitalization threshold of \$100,000. In FY25, planned Capital Grant expenses in the amount of \$850,000 is for crawl space rehabilitation at Hickory Tree.

DSHA uses an in-house Accounts Payable system for accounting purposes, effective July 1, 2010. All MTW funds are held in M & T Bank checking and/or money market accounts, collateralized or covered by FDIC insurance.

## **DESCRIBE THE ACTIVITIES THAT WILL USE ONLY MTW SINGLE-FUND FLEXIBILITY**

While the amount of funding is calculated separately, the agency can use the above funds flexibly. DSHA has no planned uses of MTW Single-Fund Flexibility for FY2025.

### **B. LOCAL ASSET MANAGEMENT PLAN**

**Purpose:** This Local Asset Management Plan has been established pursuant to the requirements of Section 6 of the First Amendment to the MTW Agreement.

**Project-Based Management:** DSHA has always operated its Public Housing sites utilizing the principles of project-based management. This means that DSHA has a decentralized management of its Public Housing sites with managers and maintenance staff assigned to each and responsible for each site so assigned. The manager at each site therefore has the responsibility for the maintenance of all the facilities through approvals of maintenance work orders and of outside contractors when these need to be called in. Managers are evaluated based upon REAC scores, unit turnovers, tenant account receivables, and other performances measures designed to ensure each site is managed to the highest standards.

**Project –Based Budgeting:** DSHA has strengthened the role of the Public Housing Managers in the process of establishing budgets for each site. Draft project-based accounting budget vs. actuals from the prior fiscal year and tentative allocations for the coming fiscal year (based upon the expected level of HUD subsidy distributed on a per unit basis) are provided to each manager for their review. Each budget line and its assumptions are scrutinized, and then each project budget is reviewed in a meeting with the

DSHA Director, the Housing Management Program Administrator, and senior financial staff. After this meeting the project budgets are finalized, which are then rolled into the budget for the MTW Plan submission.

**Project-Based Accounting:** Project-based accounting reports are provided to managers on a quarterly basis, with monthly expenditure reports provided throughout the year. The quarterly project-based accounting reports, and any variance of 10 percent or more is reviewed with senior management staff. Because the mix of families participating in the MTW savings program negatively affects the cash flow of each site, reducing the available revenue through sweeps to MTW savings account, the budgeting process holds site managers harmless with the respect to decreased revenue from this source.

**Financial Management:** With respect to financial management, DSHA’s cost accounting and financial reporting methods are in conformance with the OMB Omni-Circular and Generally Accepted Accounting Principles (GAAP). These are no exceptions to HUD guidance. The cost approach for each of the three federal funding sources under MTW are noted below for FY24 and FY25:

	FY24	FY25
Public Housing	Direct charge	Direct charge
Sec. 8 Voucher	Direct charge	Direct charge
Capital Fund	Direct charge	Direct charge

The Capital Fund Program was changed from a fee for service (10 percent) in FY13 to direct charge in FY14 and forward because of the decreased appropriation for the Capital Fund Program. Although DSHA has an approved Indirect Cost Allocation Plan covering the three programs under MTW, it is choosing to direct charge these programs. DSHA is currently reviewing this process, but it remains unchanged at this time.

# **AttachmentC**

## **RADSignificant Amendment**

**Rental Assistance Demonstration (RAD) Significant Amendment**

**FY2024 MOVING TO WORK ANNUAL PLAN**

As of February 15, 2024, The Delaware State Housing Authority (DSHA) has successfully converted several former Public Housing developments to the Rental Assistance Demonstration (RAD) with Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. This includes Liberty Court, and five (5) Scattered Sites, which went to financial closing in November 2019. It also includes McLane Gardens, Peach Circle and Holly Square, which began renovation in September 2019 and went to financial closing in the Fall of 2023.

DSHA applied and was subsequently approved for RAD conversion of its 54 units at Mifflin Meadows to Project Based Vouchers. Upon conversion to Project Based Vouchers the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of H 2019-09/PIH 2019-x23, REV-4; and H-2016-17/PIH-2016- 17. Additionally, the Authority certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing the Authority with access to private sources of capital to repair and **preserve** its affordable housing assets. DSHA does plan to utilize funds from both Moving To Work Reserves and a portion of the Capital Fund during the future RAD Conversions to contribute towards planning, development and construction expenses.

Mifflin Meadows is a 54-unit development comprised of 10 separate apartment buildings and a community building. The buildings are one and two stories in height.

Below, please find specific information related to the Public Housing Development(s) selected for RAD:

**Development #1**

<b>Development Name</b>	Mifflin Meadows
<b>PIC Development ID #</b>	DE004000003
<b>Address</b>	100 Mifflin Meadows Drive
<b>Conversion Type</b>	Section 18 Blend
<b>Pre-Conversion Units</b>	54
<b>Post-Conversion PBV</b>	32
<b>Post-Conversion RAD</b>	22
<b>Pre-RAD Unit Type</b>	Family
<b>Post-RAD Unit Preference</b>	Family

**Project Description:** Mifflin Meadows is a rehabilitation project for low-income families consisting of 1, 2, 3, 4, and 5-bedroom units. We anticipate 32 of the units will use RAD vouchers. 22 will be Tenant Protection Vouchers.



**FUTURE PROPOSED RAD CONVERSIONS**

DSHA will also be converting the remaining stock of Public Housing over the next five (5) years to the RAD Project Based Voucher program. This includes: Clarks Corner (70 units), Lavery Lane (50 units), Burton Village (51 units) and Hickory Tree Apartments (54 units). In all cases, the properties are to be converted from Public housing to Project Based Vouchers with Low-Income Housing Tax Credits.

Upon conversion to Project Based Vouchers the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-2; and Joint Housing PIH Notice H-2014-09/PIH-2014-17; These resident rights, participation, waiting list and grievance procedures are appended to this Attachment. Additionally, DSHA certifies that it is currently compliant with all fair housing and civil rights requirements.

DSHA does plan to utilize funds from both Moving To Work Reserves and a portion of the Capital Fund during the future RAD Conversions to contribute towards planning, development and construction expenses.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing DSHA with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority’s Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that DSHA may also borrow funds to address their capital needs.

Below, please find specific information related to the Public Housing Development(s) selected for future RAD conversions:

Development #6- RAD application to be submitted in 2023-24 (Combined with Lavery Lane)

<b>NAME:</b> Clarks Corner	<b>PIC #</b> DE004000016	<b>Conversion Type::</b> PBV	No Transfer of Assistance
<b>UNIT COUNT:</b> 70 Units	<b>Unit Type-Pre RAD:</b> Family Housing	<b>Unit Type-Post RAD</b> Family Housing	<b>Cap. Fund:</b> \$169,609
<b>Bedrooms Types:</b>	<b># Units Pre Conv.</b> 70	<b># Units Post Conv.</b> 70	<b>Change in # Units:</b> N/A
<b>One Bedroom</b>	4	4	
<b>Two Bedroom</b>	26	26	
<b>Three Bedroom</b>	26	26	
<b>Four Bedroom</b>	12	12	
<b>Five Bedroom</b>	2	2	

Development #7- RAD application to be submitted in 2023-24 (Combined with Clarks Corner)

<b>NAME:</b> Lavery Lane	<b>PIC #</b> DE004000008	<b>Conversion Type::</b> PBV	No Transfer of Assistance
<b>UNIT COUNT:</b> 50 Units	<b>Unit Type-Pre RAD:</b> Family Housing	<b>Unit Type-Post RAD</b> Family Housing	<b>Cap. Fund:</b> \$121,149
<b>Bedrooms Types:</b>	<b># Units Pre Conv.</b>	<b># Units Post Conv.</b>	<b>Change in # Units:</b>
	50	50	N/A
<b>One Bedroom</b>	0	0	
<b>Two Bedroom</b>	40	40	
<b>Three Bedroom</b>	10	10	
<b>Four Bedroom</b>	0	0	
<b>Five Bedroom</b>	0	0	

Development #8- RAD application to be submitted 2024-25

<b>NAME:</b> Burton Village	<b>PIC #</b> DE004000004	<b>Conversion Type::</b> PBV	No Transfer of Assistance
<b>UNIT COUNT:</b> 51 Units	<b>Unit Type-Pre RAD:</b> Family Housing	<b>Unit Type-Post RAD</b> Family Housing	<b>Cap. Fund:</b> \$123,572
<b>Bedrooms Types:</b>	<b># Units Pre Conv.</b>	<b># Units Post Conv.</b>	<b>Change in # Units:</b>
	51	51	N/A
<b>One Bedroom</b>	0	0	
<b>Two Bedroom</b>	8	8	
<b>Three Bedroom</b>	24	24	
<b>Four Bedroom</b>	9	9	
<b>Five Bedroom</b>	0	0	

Development #9- RAD application to be submitted 2024-2025

<b>NAME:</b> Hickory Tree	<b>PIC #</b> DE004000013	<b>Conversion Type::</b> PBV	No Transfer of Assistance
<b>UNIT COUNT:</b> 55 Units	<b>Unit Type-Pre RAD:</b> Family Housing	<b>Unit Type-Post RAD</b> Family Housing	<b>Cap. Fund:</b> \$133,264
<b>Bedrooms Types:</b>	<b># Units Pre Conv.</b>	<b># Units Post Conv.</b>	<b>Change in # Units:</b>
	55	55	N/A
<b>One Bedroom</b>	0	0	
<b>Two Bedroom</b>	26	26	
<b>Three Bedroom</b>	26	26	
<b>Four Bedroom</b>	4	4	
<b>Five Bedroom</b>	0	0	

## SIGNIFICANT AMENDMENT/MODIFICATION DEFINITION

The Delaware State Housing Authority (DSHA) will consider the following to be significant amendments or modifications to the Annual Plan.

- Changes to Rent or Admissions Policies including preferences that effect the organization of the Waiting List;
- Any change with regard to proposed demolition or disposition of public housing/homeownership units, RAD Conversions, and development of new housing units or Mixed Financing Units;
- Additions of new activities not included in the current approved Moving To Work (MTW) Annual Plan;
- Administrative Changes that **do not** effect applicant eligibility, preference, rent structure will be excluded from the items considered significant amendments/modifications.
- Since DSHA is a MTW Agency, and has fungibility of capital, housing choice voucher and public housing operating funds, the significant amendment and modification definition **does not include** the CFP 5-Year Action Plan. MTW Agencies report in EPIC an abbreviated CFP 5 Year Plan and do not list specific capital items or uses in the Plan.

As part of the Rental Assistance Demonstration (RAD), Delaware State Housing Authority (DSHA) is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD-specific items:

- The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
- Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and rehabilitation plan for each approved RAD conversion; and
- Changes to the financing structure for each approved RAD conversion.

### **Changes in Policies that Govern eligibility, admissions, resident selection and occupancy of units:**

When conversion is completed for the developments noted above, all residents will have project based vouchers (PBV) and their continued eligibility will be based on the Housing Choice Voucher guidelines and requirements currently in use at DSHA.

1. **Admission:** The waiting lists will be based on a centrally located list maintained by our exiting Waiting List Office. Currently both the Public Housing and Housing Choice Vouchers lists are combined and centrally administered. As each development is converted, a separate list will be maintained for these properties. DSHA applications will be revised to indicate the availability to apply for a project based voucher. The Waiting List Office shall also screen applicants for criminal history, landlord references, debts owed to HUD programs and income/family eligibility. Home Visits will be conducted by the Management Staff from each development.
2. **Occupancy of Units:** As noted above, applications for units will be processed and screened by the Waiting List Office. Once a client has been screen and accepted, their file will be referred to the development where the client is eligible for housing and there is a vacancy. Management Staff from each development will conduct home visits, and schedule move-in's with the applicants.

3. **Annual Inspections/Re-certifications:** The existing DSHA Housing Choice Voucher Office will conduct annual inspections for all units and perform annual re-certifications for residents. Elderly & Disabled residents will be re-certified biennially.
4. **Resident Rights:** Converted developments will be managed in accordance with state law under the Delaware Landlord-Tenant Code. In reference to their Project Based Voucher, they will receive the same rights and obligations as any other Housing Choice Voucher participant, including termination of assistance criteria and hearings.

**Resident Rights, Participation, Waiting List and Grievance Procedures  
If converting to PBV:**

**PIH Notice 2012-32, REV-2 Section 1.6.C & Section 1.6.D**

**1.6 C-PBV Resident Rights and Participation.**

**1. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households.<sup>24</sup> Once that remaining household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement.

**2. Right to Return.** See section 1.4.A.4(b) regarding a resident's right to return.

**3. Renewal of Lease.** Since publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR § 983.257(b)(3) have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement.

**4. Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

**Three Year Phase-in:**

**Year 1:** Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the standard TTP

**Year 2:** Year 2 Annual Recertification (AR) and any Interim Re-certification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

**Year 3:** Year 3 AR and all subsequent re-certifications

**Full standard TTP Five Year Phase in:**

**Year 1:** Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the standard TTP

**Year 2:** Year 2 AR and any IR prior to Year 3 AR – 40% of difference between most recently paid TTP and the standard TTP

**Year 3:** Year 3 AR and any IR prior to Year 4 AR – 60% of difference between most recently paid TTP and the standard TTP

**Year 4:** Year 4 AR and any IR prior to Year 5 AR – 80% of difference between most recently paid TTP and the standard TTP

**Year 5 AR** and all subsequent recertifications – Full standard TTP

*Please Note:* In either the three-year phase-in or the five-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies may not alter this requirement.

**5. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs:** Not Applicable

**6. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

**7. Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner’s lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

i. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

a. A reasonable period of time, but not to exceed 30 days:

i. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or ii. In the event of any drug-related or violent criminal activity or any felony conviction;

- b. 14 days in the case of nonpayment of rent; and
- c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

- ii. **Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional procedural rights to comply with section 6 of the Act. For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:
  - a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
  - ii. For any additional hearings required under RAD, the Project Owner will perform the hearing.
  - b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
  - c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
  - d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

**8. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion e.g., due to loss of employment; tenants that move into the property following conversion, etc.,) is covered by this waiver.

**9. Jobs Plus.** Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.

**10. When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR §983.258). Since the rent limitation under this Section of the Notice may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds than the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment.

HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by Section 1.6.B.5 of this Notice.<sup>27</sup> In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident.

Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. The PHA is required to process these individuals through the Form-50058 sub-module in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of this Notice.



**11. Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR 983.259 is waived. MTW agencies may not modify this requirement.

## **1.6-D. PBV: Other Miscellaneous Provisions**

### **1. Access to Records, Including Requests for Information Related to Evaluation of**

**Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

**2. Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the Covered Project annually in accordance with HUD requirements.

**3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** This section has been moved to 1.4.A.13 and 1.4.A.14.

**4. Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:

i. Transferring an existing site-based waiting list to a new site-based waiting list. If the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.

ii. Informing applicants on the site-based waiting list on how to apply for a PBV program-wide or HCV program-wide waiting list.

iii. Informing applicants on a public housing community-wide waiting list on how to apply for a voucher-wide, PBV program-wide, or site-based waiting list. If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list.

In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established site-based waiting list must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the

requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

**5. Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.

**6. Agreement Waiver.** This section has been moved to 1.6.(B)(7).

**7. Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

**8. Administrative Fees for Public Housing Conversions during Transition Period.**

For the remainder of the Calendar Year in which the HAP Contract is effective (i.e. "transition period"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing Annual Contributions Contract (ACC) between the PHA and HUD will be amended to reflect the number of units under HAP contract, but will be for zero dollars, and the RAD PBV contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

For fiscal years 2014 and 2015, PHAs operating HCV program received administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR § 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units. After this transition period, the section 8 ACC will be amended to include section 8 funding that corresponds to the units covered by the section 8 ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

**9. Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance. If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant based vouchers to address the specific housing needs and priorities of the community.

Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.

The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received.

In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan. To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) and 24 CFR part 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

**10. Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement.

For all other transactions, Replacement Reserves shall be maintained in a bank account covered under a General Depository Agreement (HUD-51999) or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines and as directed by HUD.

## Joint Housing/PIH Notice H-2014-09/ PIH-2014-17

### **Subject: Relocation Requirements under the Rental Assistance Demonstration (RAD) Program, Public Housing in the First Component**

#### **1. Purpose**

This Notice provides public housing agencies (PHAs) and their partners with information and resources on applicable program and relocation assistance requirements when planning for or implementing resident moves as a result of a **Rental Assistance Demonstration (RAD)** conversion<sup>2</sup> under the first component of the demonstration.<sup>3</sup> This Notice provides guidance on RAD relocation requirements and requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA), as they relate to the public housing conversion process under the first component.

1. This Notice always uses the term “PHA” to refer to the owner of the project prior to and after the RAD conversion, even though, in some cases, the owner of the converted RAD project may be another public entity, a non-profit organization, or other owner (e.g., low-income housing tax credit owner). In addition, this Notice uses “PHA” to refer to the “displacing agency,” a URA term that means the agency or person that carries out a program or project, which will cause a resident to become a displaced person. Projects vary and, for any specific task described in this Notice, may require substituting in a reference to a party that is more appropriate for a specific project.
2. The content of this Notice should not be relied upon in carrying out any other activities funded under any other HUD program, except where specifically directed by HUD.
3. The “first component” of RAD allows public housing and Moderate Rehabilitation properties to convert assistance; the “second component” refers to conversion of Rent Supplement, Rental Assistance Payment, and Moderate Rehabilitation properties upon contract expiration or termination.
4. Relocation concerns and URA requirements apply to both components of RAD. This notice provides guidance only as to the first component.

Relocation assistance provided pursuant to public housing and RAD requirements is broader than URA relocation assistance requirements. Not all specific situations requiring relocation under RAD may trigger URA assistance requirements. In addition, whereas all qualifying residents<sup>5</sup> of a converting public housing project are eligible for relocation assistance under RAD, some residents or household members may not meet the statutory and regulatory requirements for eligibility under URA.

This Notice supersedes PIH Notice 2012-32 (HA), REV-1, with respect to relocation matters. This Notice also specifically addresses when relocation may begin (see Section 9 below). As necessary, the Department will issue additional guidance on relocation issues and requirements as they relate to RAD. <sup>5</sup> The term “resident” as used in this Notice refers to eligible resident families of public housing residing in a property applying for participation in RAD or a property that undergoes a conversion of assistance through RAD.

## **2. Background**

RAD allows public housing properties to convert assistance to long-term project-based Section 8 contracts. In many cases, a RAD project may require relocation of residents when properties undergo repairs, are demolished and rebuilt, or when the assistance is transferred to another site. PIH Notice 2012-32 REV-1 (see also FR Notice 5630-N-05, 78 FR 39759-39763 (July 2, 2013)) details RAD program requirements.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) is a federal law that establishes minimum standards for federally-funded programs and projects that include the acquisition of real property (real estate) and/or displace persons from their homes, businesses, or farms as a result of acquisition, rehabilitation, or demolition of real property.<sup>6</sup> The URA will apply to acquisitions of real property and relocation of persons from real property that occurs as a direct result of acquisition, rehabilitation, or demolition for a project that involves conversion of assistance to Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) programs under RAD.

Additionally, all relocation conducted as part of a RAD conversion and all relocation assistance provided under URA must be consistent with applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.

Because each RAD proposal varies in its scope, this Notice may not address each PHA's specific circumstances. RAD PHAs and participants should carefully review the regulations, notices, and guidance material referenced in this Notice. Any questions related to the applicability of these requirements should be referred to the RAD Transaction Managers (TM) or may be emailed to [rad@hud.gov](mailto:rad@hud.gov).

## **3. Applicable Legal Authorities**

RAD: Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), with the implementing PIH Notice 2012-32, REV-1

- URA statute and implementing regulations: 49 CFR part 24
- FHEO: Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Fair Housing Act
- Section 104(d) of the Housing and Community Development Act of 1974, statute and implementing regulations (if CDBG and/or HOME funds are used): 24 CFR part 42, subpart C

#### **4. Relocation Planning**

If there is a possibility that residents will be relocated as a result of acquisition, demolition, or rehabilitation for a project converting under RAD, PHAs must undertake a planning process in conformance with URA in order to minimize the adverse impact of relocation (49 CFR 24.205(a)).

While a written Relocation Plan is not a requirement under RAD or URA, the Department strongly encourages PHAs to prepare a written Relocation Plan, both to establish their relocation process and to communicate this process consistently and effectively to all relevant stakeholders. Appendix 1 contains recommended elements of a Relocation Plan.

The following presents a general sequencing of relocation planning activities within the RAD milestones:

<b><u>Stage</u></b>	<b><u>Activities</u></b>
1. Prior to submission of RAD application	<ul style="list-style-type: none"><li><input type="checkbox"/> Determine potential need for relocation</li><li><input type="checkbox"/> Meet with residents to discuss plans, communicate right to return, and solicit feedback</li><li><input type="checkbox"/> Provide <i>General Information Notice (GIN)</i> to residents</li><li><input type="checkbox"/> Survey residents to prepare Relocation Plan and relocation process cost estimate</li></ul>
2. After receipt of the Commitment to Enter into a HAP Contract (CHAP) Award	<ul style="list-style-type: none"><li><input type="checkbox"/> Prepare Significant Amendment to PHA Plan</li><li><input type="checkbox"/> Assess and refine need for relocation</li><li><input type="checkbox"/> Develop a Relocation Plan (See Appendix 1 for recommended content)</li><li><input type="checkbox"/> Identify relocation housing options</li></ul>
3. Preparing Financing Plan (due to RAD Transaction Manager no later than 180 days following Chap award).	<ul style="list-style-type: none"><li><input type="checkbox"/> Budget for relocation expenses</li><li><input type="checkbox"/> Submit FHEO Accessibility &amp; Relocation checklist (PHAs may submit Relocation Plan along with checklist).</li></ul>
4. Receipt of RAD Conversion Commitment (RCC)	<ul style="list-style-type: none"><li><input type="checkbox"/> The date of issuance of the HUD RCC marks the date of “Initiation of Negotiations” (ION), as defined in the URA (49 CFR 24.2(a)(15))</li><li><input type="checkbox"/> Provide residents with appropriate notice informing them if they will be relocated and any associated relocation assistance</li><li><input type="checkbox"/> Meet with residents to describe approved conversion plans and discuss required relocation</li></ul>

## 5. Closing/RAD conversion

- Generally, resident relocation should not begin until after the date of closing/conversion of assistance under RAD
- PHAs must adhere to notification requirements (described in Paragraph 8 of this Notice): generally, a minimum of 30 days for residents to be temporarily relocated for up to a year, and 90 days for permanent relocation
- PHAs seeking to move residents prior to closing must receive prior approval from HUD as described in Paragraph 9 of this Notice.

## **5. Resident Right to Return**

RAD program rules prohibit the permanent involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed and is in decent, safe, and sanitary conditions. The period during which residents may need to be temporarily relocated is determined by the period of rehabilitation or construction, which will be specific to each project.

Where If proposed plans for a project would preclude a resident from returning to the RAD project, the resident must be given an opportunity to comment and/or object to such plans. If the resident objects to such plans, the PHA must alter the project plans to accommodate the resident in the converted project. If a resident agrees to such plans, the PHA must secure informed, written consent from the resident to receive permanent relocation assistance and payments consistent with URA and acknowledge that acceptance of such assistance terminates the resident's right to return to the project. In obtaining this consent, PHAs must inform residents of their right to return, potential relocation, and temporary and permanent housing options at least 30 days before residents must make a decision. The PHA cannot employ any tactics to pressure residents into relinquishing their right to return or accepting permanent relocation assistance and payments.<sup>8</sup> A PHA may not terminate a resident's lease if it fails to obtain this consent.

PHAs must keep documentation of such information provided to residents and such consent by residents. While HUD does not require PHAs to submit documentation of obtaining this consent, PHAs and participants must properly brief residents on their housing and relocation options and must keep auditable written records of such consultation and decisions. HUD may request this documentation during a review of the FHEO Relocation and Accessibility Checklist or if relocation concerns arise.

Examples of project plans that may preclude a resident from returning to the converted RAD project include, but are not limited to:

- Changes in bedroom distribution (i.e. when larger units will be replaced with smaller units such that current residents would become under-housed or when smaller units will be replaced with larger units such that current residents would become over-housed);



- Where a PHA is reducing the number of assisted units at a property by a de minimis amount<sup>9</sup>, but those units are occupied by assisted residents; or
- The reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery.

In all scenarios where residents voluntarily accept permanent relocation to accommodate project plans, these residents are eligible for permanent relocation assistance and payments under URA. If a resident accepts permanent relocation assistance, the resident surrenders his or her right to return to the completed project.

## 6. Relocation Assistance

Under RAD, relocation assistance may vary depending on the length of time relocation is required.

a. In instances when the PHA anticipates that a resident will be relocated for more than a year, the PHA must offer the resident the choice of:

- Permanent relocation assistance and payments at URA levels; or
- Temporary relocation assistance, including temporary housing, while the resident retains his or her right to return and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation.

The PHA must give the resident no less than 30 days to decide between permanent and temporary relocation assistance. If the resident elects to permanently relocate with assistance at URA levels, the PHA must inform the resident that his or her acceptance of permanent relocation assistance terminates the resident's right to return to the completed RAD project.

b. In instances when a resident elects temporary relocation assistance and reoccupies a unit in the completed project within one year, the resident need not be offered permanent relocation assistance pursuant to URA. Great care must be exercised to ensure that residents are treated fairly and equitably. If a resident is required to relocate temporarily in connection with the project, his or her temporarily occupied housing must be decent, safe, and sanitary and the resident must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation. These expenses include, but are not limited to, moving expenses and increased housing costs during the temporary relocation.

c. In the event that a resident elects to receive temporary relocation assistance and the temporary relocation exceeds one year, the resident becomes eligible for all permanent relocation assistance and payments under URA. (This assistance would be in addition to any assistance the person has already received for temporary relocation, and may not be reduced by the amount of any temporary relocation assistance.) In such event, the PHA shall give the resident the opportunity to choose to remain temporarily relocated for an agreed-to period (based on new information about when they can return to the completed RAD unit), or choose to permanently relocate with URA assistance.

PHAs may not propose or request that a displaced person waive rights or entitlements to relocation assistance under the URA. If the resident elects to permanently relocate with URA assistance, the PHA must inform the person that the person's acceptance of URA relocation assistance to permanently relocate will terminate the person's right to return to the completed RAD project. Conversely, unless and until the resident elects to be permanently relocated, the resident may remain temporarily relocated with a right to return to the completed project.

## **7. Initiation of Negotiations (ION) Date**

Eligibility for URA relocation assistance is generally effective on the date of initiation of negotiations (ION) (49 CFR 24.2(a)(15)). For RAD projects, the ION date is the date of the issuance of the RAD Conversion Commitment (RCC).

## **8. Resident Notification**

When a project converting under RAD will include relocation of residents, notice must be provided to those resident households. For each notice listed below, one notice shall be given to each resident household. The purpose of these notifications is to ensure that residents are informed of their potential rights and the relocation assistance available to them. During initial meetings with residents about RAD and in subsequent communications with residents related to relocation, the PHA should inform residents that if they choose to move after receiving a written GIN, but prior to receiving a RAD Notice of Relocation, they may jeopardize their eligibility for relocation assistance. However, PHAs should note that a resident move undertaken as a direct result of the project may still require relocation assistance and the resident may be eligible to receive permanent relocation assistance under the URA even though the PHA has not yet issued notices.

### **a. *General Information Notice (49 CFR 24.203(a) & Handbook 1378, Paragraph 2-3(B))***

As soon as feasible in the planning process, the PHA must provide each resident with a written GIN (see sample in Appendix 2) to provide a general description of the project, the activities planned, and the relocation assistance that may become available. URA regulations state that the GIN should be provided *as soon as feasible*.

Under RAD, PHAs must provide GINs during the initial RAD resident meetings, before submitting a RAD application. GINs must do at least the following:

- Inform the resident that he or she may be displaced for the project and generally describe the relocation payment(s) for which the resident may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
- Inform the resident that he or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the resident successfully relocate;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will not be required to move without at least 90 days advance written notice, and inform any person to be displaced from a dwelling that he or she cannot be required to move permanently

unless at least one comparable replacement dwelling has been made available;

- Inform the resident that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child (see 49 CFR 24.208(h) for additional information); and
- Describe the resident's right to appeal the PHA's determination as to a person's eligibility for URA assistance.

**b. RAD Notice of Relocation**

If a resident will be relocated to facilitate the RAD conversion, the PHA shall provide notice of such relocation (RAD Notice of Relocation). The PHA shall issue this notice upon the PHA's receipt of the RCC from HUD, which is the ION date.

If residents will not be relocated, notice of relocation is not required, but the PHA should notify them that they are not being relocated.

The RAD Notice of Relocation must conform to the following requirements:

- The notice must state the anticipated duration of the resident's relocation.
- PHAs must provide this notice a minimum of 30 days prior to relocation to residents who will be temporarily relocated.<sup>12</sup> Longer notice may be appropriate for persons who will be relocated for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.
- Residents whose temporary relocation is anticipated to exceed one year must be informed that they will have no less than 30 days to elect temporary or permanent relocation as described in Section 6 of this Notice. When timing is critical for project completion, the 30-day decision period can run concurrently with the 30-day notice period for temporary relocation and with the 90-day period for permanent relocation if the PHA makes available comparable replacement dwellings consistent with 24.204(a).
- Residents who will be permanently relocated must receive written notice a minimum of 90 days prior to relocation. This 90-day time period may only begin once the PHA has made available at least one comparable replacement dwelling consistent with 49 CFR 24.204(a).<sup>13</sup>
- The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.
- The notice must explain the reasonable terms and conditions under which the resident may continue to lease and occupy a unit in the completed project.
- The notice must state that the PHA will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move. These expenses include, but are not limited to, moving expenses and increased housing costs (rent, utilities, etc.).

**c. Notice of Intent to Acquire (49 CFR 24.203(d))**

For RAD projects involving acquisition, residents may be provided with a notice of intent to acquire (“*Notice of Intent to Acquire*”) prior to the ION date with HUD’s prior approval. Once the Notice of Intent to Acquire is provided, a resident’s eligibility for relocation assistance and payments is established. Therefore, the RAD Notice of Relocation must be provided in conjunction with or after the Notice of Intent to Acquire. A RAD Notice of Relocation would not otherwise be sent prior to the ION date.

Since residents who accept permanent relocation must receive 90 days advanced written notice prior to being required to move, providing residents the Notice of Intent to Acquire and RAD Notice of Relocation prior to the ION date may be necessary to provide sufficient notice of relocation to a resident in instances where there may not be 90 days between the issuance of the RCC (ION date) and the anticipated closing date. This allows the PHA to issue the notice earlier so that relocation may begin upon closing. This allows program participants to conduct orderly relocation upon closing, minimize adverse impacts on displaced persons, and to expedite project advancement and completion.

**d. URA Notice of Relocation Eligibility – for residents whose temporary relocation exceeds one year (49 CFR 24.203(b) & Handbook 1378, Paragraph 2-3(C))**

After a resident has been temporarily relocated for one year, the PHA must provide a notice of relocation eligibility in accordance with URA requirements (“*Notice of Relocation Eligibility*”). This notice is not required if the resident has already accepted permanent relocation assistance.

The Notice of Relocation Eligibility must conform to URA requirements as set forth in 49 CFR Part 24, to HUD Handbook 1378 and to the following requirements:

- The PHA must provide updated information as to when it is anticipated that the resident will be able to return to the completed project.
- The resident may choose to remain temporarily relocated based upon such updated information or may choose to accept permanent URA relocation assistance in lieu of exercising the right to return.
- If the resident chooses to accept permanent URA relocation assistance and such assistance requires that the resident move, the URA requires such resident to receive 90 days advance written notice of the earliest date they will be required to move (i.e., 90-Day Notice, 49 CFR 24.203(c)). The PHA should be mindful that the 90-day time period may only begin once the PHA has made available at least one “comparable replacement dwellings” as set forth in 49 CFR 24.204(a).

**9. Initiation of Relocation**

Unless otherwise approved by HUD, relocation may not begin until the date of closing of the RAD transaction and recordation of the RAD Use Agreement. PHAs must provide residents being temporarily relocated at least 30 days advance written notice of the required move. PHAs must give residents being permanently relocated at least 90 days advance written notice of the required move. This means PHAs are advised to plan carefully to account for this 30-day or 90-day notice period to ensure the closing is not delayed.

However, HUD is aware that, in rare cases, some project plans necessitate relocation prior to closing. With prior HUD approval, for projects involving acquisition, PHAs may relocate residents prior to the closing date subject to public housing requirements (see 24 CFR part 5 and 24 CFR 966). PHAs must contact their assigned RAD transaction manager (TM) to discuss plans as early as possible in the process to ensure compliance with all RAD and URA requirements. If relocation prior to closing is desired, PHAs should submit to the TM the following information, as early as possible in the process:

- **A written request for relocation prior to closing.** The request must include justification of why the early relocation is necessary for the viability of the RAD transaction. Justification may include the presence of outside financing, such as Low Income Housing Tax Credit (LIHTC) awards, if the PHA can show that early relocation is necessary to meet critical LIHTC deadlines.
- **FHEO Accessibility and Relocation Checklist.**
- **Evidence of intent to comply with public housing requirements, as applicable.** Generally, public housing regulations require public housing residents to receive 30 days' notice prior to relocation and that such notice either be published in the PHA's admissions and continued occupancy policies (ACOP) or published elsewhere at least 30 days prior to receipt of such notice (24 CFR parts 5 and 966).

When seeking to relocate residents prior to closing, submission of this request as early as possible is preferred, prior to the 180-day Financing Plan milestone if possible (with Financing Plan submission following the request).

HUD reserves the right to request additional follow-up information, including a Relocation Plan and related budget, prior to approving such requests. PHAs must receive written HUD approval before beginning relocation of residents prior to closing.

Early planning and submission of the Financing Plan and FHEO checklist to HUD will ensure the PHA has built in the 30- or 90-day notice period prior to initiating relocation.

#### 10. **Fair Housing and Civil Rights Requirements**

PHAs must comply with all applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance.

Further, communication must be provided in a manner that is effective for persons with disabilities (24 CFR 8.6) and for person who are Limited English Proficient (see 72 FR 2732). This section discusses some of the PHA's obligations under these laws and regulations.

However, the applicability of civil rights laws is not limited to the activities discussed in this section. PHAs conducting relocation activities should familiarize themselves with applicable civil rights statutes, regulations, and guidance, including but not limited to, those listed at the end of this section.

- **Effective Communication for Persons with Disabilities:** Communications and materials must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 CFR 8.6), and as applicable, the Americans with Disabilities Act; and for persons who are limited English proficient (*see* 72 Fed Reg 2732). This includes ensuring that training materials are in appropriate alternative formats as needed, e.g., Braille, audio, large type, assistive listening devices, and sign language interpreters.
- **Accessible Meeting Facilities for Persons with Disabilities:** When holding public meetings, PHAs must give priority to methods that provide physical access to individuals with disabilities, i.e., holding the meetings, workshops, and briefings or any other type of meeting in an accessible location, in accordance with the regulations implementing Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990, as applicable. All programs and activities must be held in accessible locations unless doing so would result in an undue financial and administrative burden, in which case the PHA must take any action that would not result in such an alteration or such burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., briefings at an alternate accessible, in-home briefing. Individuals with disabilities must receive services in the most integrated setting appropriate to their needs. The most integrated setting appropriate to the needs of qualified individuals with disabilities is a setting that enables individuals with disabilities to interact with nondisabled person to the fullest extent possible (28 CFR part 35, appendix B).
- **Meaningful Access for Persons with Limited English Proficiency (LEP):** PHAs must provide meaningful access to programs and activities for persons who have a limited ability to read, speak, or understand English. Any person with LEP who will be temporarily relocated or permanently displaced must have meaningful access to any public meetings regarding the project. In addition, any information provided to residents including, but not limited to, any notices required under the URA, should be provided in the appropriate language to persons with LEP. Generally, PHAs will be responsible for providing oral interpreters at meetings, including ensuring their competence, and covering any associated translation and interpretation costs.
- **URA requires** that PHAs provide persons who are unable to read or understand the notices, such as persons with disabilities or persons with LEP, with appropriate translation and counseling to ensure that they understand their rights and responsibilities and the assistance available to them (49 CFR 24.5). URA also requires that each notice indicate the name and telephone number of a person to contact with questions or for other needed help (49 CFR 24.5). This notice should include the number for the telecommunication device for the deaf (TDD) or other appropriate communication device, if applicable (24 CFR 8.6(a)(2)).
- **Comparable Housing for Persons with Disabilities:** PHAs should identify the accessibility needs of residents to be relocated by consulting existing information (e.g., tenant characteristics forms, including identification of the need for accessible unit features; records of approved reasonable accommodations, and records of the presence of accessible unit features). For guidance on providing relocation assistance to persons with disabilities, see Exhibit 3-1 in HUD Handbook 1378.

□ **Advisory Services:** PHAs should determine the advisory services that will be necessary to ensure a successful relocation program consistent with 49 CFR 24.205(c). Such advisory services may include housing counseling that should be facilitated to ensure that residents affected by the project understand their rights and responsibilities and the assistance available to them (49 CFR 24.205(c)). Advisory counseling must also inform residents of their fair housing rights and be carried out in a manner that satisfies the requirements of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Executive Order 11063 (49 CFR 24.205(c)(1)). In addition, PHAs should inform residents that if they believe they have experienced unlawful discrimination, they may contact HUD at 1-800-669-9777 (Voice) or 1-800-927-9275 (TDD) or at <http://www.hud.gov>.

Fair Housing References:

- Section 504 of the Rehabilitation Act of 1973
- Regulations: 24 CFR part 8
- Fair Housing Act Regulations: 24 CFR part 100
- Title VI of the Civil Rights Act of 1964
- Regulations: 24 CFR part 1
- Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) (72 FR 2732)
- Exhibit 3-1 Compliance with Section 504 of the Rehabilitation Act in HUD Handbook 1378 (Tenant Assistance Relocation and Real Property Acquisition)

## 11. Other Requirements

### a. Public Housing Program Compliance

PHAs should note that public housing resident provisions related to occupancy and termination, including grievances and related hearings, will remain in effect until the execution of the new PBV or PBRA Housing Assistance Payment (HAP) contract.

### b. Evictions for Cause

If the PHA determines that a resident was evicted in accordance with applicable state and local law for serious or repeated violation of material terms of the lease, and the eviction was not undertaken for the purpose of evading the obligation to make available URA payments and other assistance, the resident is not entitled to relocation payments and assistance under the URA (49 CFR 24.206).

## **AttachmentD**

### **Delaware Family Reentry Pilot Program**



## **DELAWARE FAMILY REENTRY PILOT PROGRAM**

Delaware State Housing Authority (DSHA) is part of a consortium of five Delaware Public Housing Authorities (PHAs) proposing to administer a statewide Family Reentry Pilot Program (FRP). The goal of the program is to provide individuals recently released from incarceration, or individuals who have been in the community for less than 3 years (either following a period of incarceration, or following the commission of an offense which did not result in incarceration) with the opportunity to reunite with their families living in PHA-assisted housing for a temporary one or two-year period (depending on the type of crime). During the program, participants must comply with the terms of any applicable community supervision, and will be offered various support services such as help securing employment, continuing their education, and/or obtaining benefits. After participants successfully complete the FRP, they can request to be added to their family's lease permanently.

### **A. REFERRALS**

Applicants may be identified and referred to the FRP either by representatives from the Delaware Department of Correction (DOC) or by representatives from a DOC-approved service provider. The applicant must complete a Program Eligibility Form to submit to the PHA. Once the FRP applicant has been referred to the PHA, a PHA representative will consult with the primary leaseholder and all household members residing in the PHA-assisted unit. The purpose of this meeting will be for the PHA representative to assess the family's readiness to accommodate the applicant for two years of FRP participation. The family will complete the FRP Family Intake Form as part of this process. The PHA will also review the past three (3) years of the applicant's conviction history in the Delaware Criminal Justice Information System (DELJIS) to determine which category of FRP participation would be appropriate for the applicant.

### **B. ADMISSION**

After the Family Intake process is completed successfully, the applicant will meet with a PHA representative to discuss and complete the FRP Participant Agreement. The Participant Agreement details the expectations of the FRP participant during his/her time as a temporary guest of the household and reviewing it will comprise the applicant's orientation to FRP. The family residing in the PHA-assisted unit will also meet with a representative from the PHA to review and complete the FRP Family Participation Agreement, and the FRP Temporary Permission Request Form to allow the participant to live in the PHA-assisted unit. All household members residing in the unit must participate in this process.

### **C. CONTINUING ELIGIBILITY**

While the FRP participant will be considered a guest of the household during his/her one/two years of participation in FRP, all FRP participants will be held to the same standards of conduct as any other resident of PHA-assisted housing. In addition, FRP participants: must comply with any community supervision requirements as determined by DOC; must not commit any felony or misdemeanor which could result in a period of incarceration; and must comply with all other terms and expectations stated in the FRP Participant Agreement.

### **D. PROGRAM COMPLETION**

If after one/two years the FRP participant has successfully met FRP expectations, he/she may be formally added to the household's lease with the PHA. Successful completion of FRP is indicated when: the FRP participant has not committed any new offense which resulted in a period of incarceration; and the family has remained intact (reunification has been sustained). The primary leaseholder will contact a PHA representative to request that the FRP participant be officially added to the household's lease.

### **E. START DATE**

As of January 2020, fully details of the FRP program and the creation/signing of a Memorandum of Understanding (MOU) were still being negotiated. It is planned that all details will be finalized before May 1, 2020, followed by program outreach within all five (5) Delaware PHA's. Initially, the program will start with the Public Housing program and within six (6) months be expanded to the Housing Choice Voucher Programs within all PHA's.

### **F. ANTICIPATED NUMBER SERVED**

It is projected that the majority of FRP clients will be dealing with housing owned, managed or administered by other PHA's in the more populated area of New Castle County and the City of Wilmington, which are not in DSHA's normal Public housing and HCV jurisdiction. Because of this, DSHA estimates that less than twenty (20) applicants will participate in the pilot program.

### **G. CASE MANAGEMENT IMPACT**

DSHA does not anticipate any impact on our normal case management activities while during the initial one/two-year guest period. The FRP participants will not be case managed by DSHA staff, but by representatives from a DOC-approved service provider during their period as a guest. Once the FRP participant successfully completes their pilot program period, they will be officially added to the lease and will be required to participate in the Moving To Work program, if they are not elderly or disabled. Only at this time would they then receive DSHA self-sufficiency case management as part of the MTW program.

