

PHA Name : Asheville

PHA Code : NC007

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 1/1/2025

PHA Program Type: Combined

MTW Cohort Number: Stepped and Tiered Rent

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

Asheville Housing Authority – 2025 MTW Supplement Introduction

Asheville Housing Authority is an approved Moving to Work (MTW) agency and as such has broad authority to propose regulatory waivers designed to incentivize family self-sufficiency, promote housing choice, and improve cost effectiveness through regulatory simplification. In 2025, Asheville Housing will continue these MTW Activities proposed and approved in its 2024 MTW Supplement. We are not proposing any new MTW Activities for 2025.

- 2022-1 – Stepped Rent: This initiative incentivizes self-sufficiency by eliminating the “rent cliff” for certain Asheville Housing families who choose to go to work. The required HUD study is projected to begin on January 1, 2023.
- 2022-2 – Family Self Sufficiency with MTW Flexibilities: We have retooled the FSS incentive program to be more effective for both stepped and standard rent families.
- 2022-3 – Self Certification of Assets: This simplification and cost effectiveness measure for families with less than \$50,000 in assets has been implemented.
- 2022-4 – Landlord Incentives: These incentives encourage landlord participation and maximize housing choice for Asheville Housing families and has been implemented since October 2022.
- 2022-5 – HQS Inspections – Third Party Requirement: This waiver allows Asheville Housing Authority to use its own trained employees in the Housing Choice Voucher Program to perform regular and interim HQS Inspections of PBV units that Asheville Housing owns and manages. Due to inspection staffing turnover, this initiative is still in the planning stage and will be implemented when staffing allows in the future.
- 2022-6 – Verification Hierarchy: This waiver provides a more streamlined hierarchy for various means of verification of income for participants in all voucher programs. It was implemented in 2023.
- 2023-1 – Payment Standards – Fair Market Rents: This waiver allows Asheville Housing Authority to adjust its payment standards to between 80% and 120% of the Fair Market Rent for standard tenant-based rentals in its Housing Choice Voucher (HCV) Program. It serves the statutory goal of increasing housing choice by making our families more competitive on the private rental market.
- 2023-2 – Rent Reasonableness – Third Party Requirement: This waiver allows Asheville Housing to use its own trained employees in the Housing Choice Voucher (HCV) Program to perform rent reasonableness determinations for project-based voucher units that we own, using AffordableHousing.com or another similar independent third-party online comparability site to gather appropriate data.
- 2023-3 – Local Non-Traditional Activity – Rental Subsidy Program: This LNT activity will promote housing choice through innovative sponsor-based rental subsidy programs in collaboration with the Asheville-Buncombe Continuum of Care and local service providers who will provide housing search and supportive services for their clients. Asheville Housing will continue to administer the housing subsidy aspects of these programs when they are implemented.
- 2023-4 – Local Non-Traditional Activity – Housing Development Program: This waiver allows Asheville Housing to initiate an MTW Housing Development Program to use HAP funding to acquire, renovate and/or build new affordable units. Activities will include gap financing for development of affordable housing, development of homeownership and project-based voucher units and tax credit partnerships. As amended in 2024, this Activity also allows development of affordable homeownership units for income-eligible families.
- 2023-5 – Agency-Specific Waiver – HCV Homeownership: This locally-designed housing choice initiative facilitates expansion of our successful HCV Homeownership program and gives participating families the flexibility they need to become homeowners and begin building generational wealth in a challenging real estate market.
- 2024-1 – Triennial Recertification: This waiver allows Asheville Housing to expand its current waiver for MTW Activity 3.b. (see Asheville Housing MTW Activity No. 2022-1 – Stepped Rent Study) to allow for triennial reexaminations of income and household composition for all families that are not exempted under the Stepped and Tiered Rent Demonstration.
- 2024-2 – Work Requirement: This waiver will increase economic self-sufficiency by creating a minimum threshold for employment to a notable percentage of tenants receiving assistance, as well as offering additional employment-seeking resources to households both subject and not subject to the requirement. We have determined that the work requirement can be best implemented with families who are newly admitted to our programs and that families who are subject to the work requirement will be assigned to the Stepped Rent for their benefit.

We will continue implementation of these approved MTW Activities as described in this MTW Supplement. No new MTW Activities are proposed for 2025.

C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).

1. Tenant Rent Policies	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Currently Implementing
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Currently Implementing
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Not Currently Implemented
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Currently Implementing
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Currently Implementing
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Currently Implementing
b. Damage Claims (HCV-Tenant-based Assistance)	Currently Implementing
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Currently Implementing
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Currently Implementing
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	

Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Not Currently Implemented
b. Increase PBV Project Cap (HCV)	Not Currently Implemented
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Not Currently Implemented
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Not Currently Implemented
10. Family Self-Sufficiency Program with MTW Flexibility	
a.PH Waive Operating a Required FSS Program (PH)	Not Currently Implemented
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b.PH Alternative Structure for Establishing Program Coordinating Committee (PH)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d.PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Currently Implementing
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Currently Implementing
11. MTW Self-Sufficiency Program	
a.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Plan to Implement in the Submission Year
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Not Currently Implemented
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Not Currently Implemented
c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Not Currently Implemented
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Currently Implementing
b. Service Provision	Not Currently Implemented

C. MTW Activities Plan that Asheville Plans to Implement in the Submission Year or Is Currently Implementing**1.d. - Stepped Rent (HCV)****Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative**

Asheville Housing MTW Activity No. 2022-1 – Stepped Rent Study

Asheville Housing is implementing a new rent policy known as “stepped rent.” Under stepped rent, rent is not tied to income. Rent will start at \$50/month or income-based rent at the time of implementation, whichever is greater. Then it will increase by a set monthly amount each year, based on bedroom size.

Stepped rent will allow residents to work – or add a working family member to the lease – without that income increasing rent. Instead, rent will step up each year, allowing them to plan for the future. When they go to work, stepped rent will let them keep more of their earnings for other expenses and savings.

Stepped rent will not apply if residents are elderly, disabled, participating at the time of implementation in the Family Self-Sufficiency Program, or if they have a special purpose voucher such as a HUD-VASH, Mainstream, Non-Elderly Disabled, or Emergency Housing Voucher. For these groups Asheville Housing will continue to calculate rent based on income.

HUD and Asheville Housing must study the impacts of this policy for six years. For study purposes, during the first year of implementation, eligible families will be selected randomly, and approximately half will be assigned to the stepped rent and half to the traditional income-based rent.

See Attachment 3, Page 1, Table 1 for the stepped rent schedule. The step increase amounts each year will be \$25/month for an efficiency, \$30/month for a one-bedroom, \$35/month for a two-bedroom, \$40/month for a three-bedroom, and \$50/month for a four-bedroom or larger dwelling unit.

Measurement of Income. When income is measured under this stepped rent policy, it will be based on the traditional calculation of adjusted income, except that we will measure the family's actual annual income during the 12 months immediately prior to the reexamination notice letter we send to the family.

Initial Rent Determinations. Current program participants selected for the stepped rent are enrolled in the program at a rent (total tenant payment) equal to 28% of their annual adjusted income, or a \$50 minimum rent, whichever is higher. These amounts are set at the family's next recertification date after study implementation, which began with recertifications scheduled to go into effect June 1, 2023. Depending on the circumstances, a hardship adjustment is available (see Stepped Rent Hardship Policy). The initial total tenant payment for new applicants from the waiting list is based on 28% of the current adjusted income projected forward, rather than prior year income.

Utility Allowance. The stepped rent will include a utility allowance and Asheville Housing will continue to provide utility reimbursements. If the family is required to pay utilities in their lease, their total tenant payment includes a utility allowance. That combined rent and utility allowance is known as the gross rent. For example, if the family's total tenant payment is \$300 and they are required to pay for utilities, they will pay the landlord an amount equal to \$300 minus the utility allowance.

Annual Stepped Rent Increase. At the beginning of the second year and each year after that, the monthly total tenant payment will automatically increase by the amount in Table 1, without the need for an annual income reexamination. This gradual step increase will be applied each year as long as the family is a program participant, allowing families to plan for increases over time.

Triennial Income Reexaminations. Every three years, Asheville Housing will document the stepped-rent family's income and any changes in family composition, but those later triennial income reexaminations will not affect the total tenant payment. Income calculated at the triennial reexamination will be based on actual adjusted income during the 12 months prior to the reexamination notice. Stepped rent families are encouraged but not required to report employment successes and income changes between these triennial reexaminations for informational purposes only.

Payment Standard. The payment standard is the maximum allowed for each bedroom size and is established annually. If the family decides to use a tenant-based voucher for a unit where the gross rent is higher than the payment standard, the family is responsible for paying any amount above the payment standard. NOTE: Changes in the Payment Standard and

Rent to Owner, if applicable, will be processed as of the date of the family's annual stepped rent increase, and not postponed for three years until their triennial recertification.

Moves. When a stepped-rent family moves, adjustments may be made based on the bedroom size and utility allowance changes, but Asheville Housing will not adjust the total tenant payment based on income. The family's total tenant payment will continue as it was prior to the move, with annual increases from Table 1.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Activity applies to non-exempt households selected via randomized assignment to the Stepped Rent Study Group.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

Asheville Housing began the implementation of Stepped Rent with Recertifications and New Admissions effective June 1, 2023 onward. The rollout has thus far been successful, with residents completing their random assignments and enrollments into the study, QC of Stepped Rent recertifications showing minimal issues, and a study consent rate consistently over 80%. The study enrollment period was successfully closed on May 31, 2024.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

Does the hardship policy apply to more than this MTW activity?

Yes

Please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to

multiple MTW activities.)

1.d. - Stepped Rent (HCV); 1.h. - Total Tenant Payment as a Percentage of Gross Income (HCV); 3.b. - Alternative Reexamination Schedule for Households (HCV)

Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?

No

How many hardship requests have been received associated with this activity in the past year?

88.00

How many hardship requests were approved?

83

How many hardship requests were denied?

5

How many are pending?

0

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

Does the impact analysis apply to more than this MTW activity?

Yes

Please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)

1.d. - Stepped Rent (HCV); 1.h. - Total Tenant Payment as a Percentage of Gross Income (HCV); 2.b. - Payment Standards- Fair Market Rents (HCV); 3.b. - Alternative Reexamination Schedule for Households (HCV); 12.b. - Work Requirement (HCV)

Describe how the stepped rent is structured, including the following: how each household's rent will be set in the first year; how frequently rents will change and by what amount; and how the stepped rent will end (i.e., what is the maximum rent).

Rent will start at \$50/month or income-based rent at the time of implementation, whichever is greater. Then it will increase by a set monthly amount each year, based on bedroom size.

Current program participants selected for the stepped rent are enrolled in the program at a rent (total tenant payment) equal to 28% of their annual adjusted income, or a \$50 minimum rent, whichever is higher. These amounts are set at the family's next recertification date after study implementation. Depending on the circumstances, a hardship adjustment may be available. The initial total tenant payment for new applicants from the waiting list who are assigned to the Stepped Rent Study Group will be based on 28% of the current adjusted income projected forward, rather than prior year income.

At the beginning of the second year and each year after that, the monthly total tenant payment will automatically increase by the predetermined amount based on bedroom size, without the need for an annual income reexamination. This gradual step increase will be applied each year as long as the family is a program participant, allowing families to plan for increases over time. Table 1, found in Attachment 3, breaks down the increases as currently scheduled per bedroom size.

Annual stepped rent increases will end when the total tenant payment reaches the gross rent for the leased unit, covering both the contract rent and utility allowance, or when the total tenant payment reaches the payment standard, whichever limit is lower.

Please upload a document that presents the stepped rent schedule in the form of a table.

This document is attached.

If a household progresses all the way through the stepped rent schedule, what will their status be?

Other\Not Applicable. [If checked]: Please explain

They will no longer receive a subsidy, but may continue to reside in the dwelling unit paying the full contract rent.

1.h. - Total Tenant Payment as a Percentage of Gross Income (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2022-1 – Stepped Rent Study

Initial rents for families assigned to the Stepped Rent Study Group do not exceed 28% of a family's adjusted income or \$50 minimum rent, whichever is greater. This is calculated based on 12-month retrospective actual income received for families entering Stepped Rent on recertification, and current income for new admissions to the program.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Activity applies to non-exempt households selected via randomized assignment to the Stepped Rent Study Group.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

Retrospective income and the 28% TTP have not posed any significant administrative issues for staff, and the latter has resulted in a modest decrease in automatic hardship adjustments for recertifying Stepped Rent Households.
Does this MTW activity require a hardship policy? Provided Already
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Does the MTW activity require an impact analysis? Provided Already
What percentage of income will equal the Total Tenant Payment (TTP)? 28.00%
What is the income basis for calculating Total Tenant Payment? This activity uses adjusted annual income as defined in 24 CFR 5.611 (as required for non-MTW PHAs)

2.b. - Payment Standards- Fair Market Rents (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative Asheville Housing MTW Activity No. 2023-1 – Payment Standards – Fair Market Rents Asheville Housing Authority has adjusted its payment standards to between 80% and 120% of the Fair Market Rent for standard tenant-based rentals in its Housing Choice Voucher (HCV) Program. This waiver serves the statutory goal of increasing housing choice by making our families more competitive on the private rental market. The payment standard is the maximum amount we can pay for gross rent (including both rent and utilities) in the private rental market. In a rapidly increasing rental market, as Asheville has seen over the last decade and particularly since the pandemic, restricted payment standards result in lower success rates for our families, because owners can make more money with less paper work from a non-voucher rental. The standard HUD Fair Market Rent (FMR) has lagged significantly behind the Asheville market over the last decade. We have requested reevaluation and submitted data to successfully increase the FMR twice since 2019. We have also requested and received approval from the HUD Field Office to use the 50th Percentile Rents based on our low success rate using the standard HUD FMR. As a result, we have increased our success rate and voucher utilization.
Which of the MTW statutory objectives does this MTW activity serve? Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies to all assisted households
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. As the payment standards prior to implementation of this waiver were themselves increased due to two successful

requests to increase FMR since 2019 along with approval to use the 50th Percentile Rents based on our low success rate using the standard HUD FMR, the waiver was utilized to extend this increased standard, allowing Asheville Housing to avoid a potential backslide in viability in voucher usage by our families.

Does this MTW activity require a hardship policy?

Yes

This document is attached.

Does the hardship policy apply to more than this MTW activity?

No

Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?

No

How many hardship requests have been received associated with this activity in the past year?

No hardship were requested in the most recent fiscal year.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

Provided Already

Please explain the payment standards by FMR:

See Attachment 4.

2.d. - Rent Reasonableness – Third-Party Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2023-2 – Rent Reasonableness – Third Party Requirement

Asheville Housing will use its own trained employees in the Housing Choice Voucher (HCV) Program to perform rent reasonableness determinations for project-based voucher units that we own, using AffordableHousing.com or another similar independent third-party online comparability site to gather appropriate data.

Quality Assurance Method: For quality assurance purposes, we will utilize an online rent comparability service (currently AffordableHousing.com) to pull at least three comparable rental units and ensure that rent reasonableness is based on objective third-party data regarding comparable rents in our market. Unit description data will be entered and results determined by our trained inspection staff. Rent reasonableness will not be determined by staff on the property management team. At least 10% of the resulting rent reasonableness determinations will be reviewed for accuracy and reasonableness by a senior HCV staff member.

We will make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area. At HUD request, Asheville Housing will obtain the services of a third-party entity to determine rent reasonableness of PHA-owned units.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to all properties with project-based vouchers
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. The waiver has been successfully implemented, creating a modest streamlining in the Rent Reasonableness process and easing some administrative burden.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Please explain or upload a description of the quality assurance method. See Attachment 5. This document is attached.
Please explain or upload a description of the rent reasonableness determination method. See Attachment 5. No document is attached.

3.b. - Alternative Reexamination Schedule for Households (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative Asheville Housing MTW Activity No. 2024-1 – Triennial Recertifications for Non-Study Households Asheville Housing will expand its current waiver (see Asheville Housing MTW Activity No. 2022-1 – Stepped Rent Study below) to allow triennial reexaminations of income for all households not exempted under the STRD Study. This waiver will serve the statutory goal of increasing cost effectiveness by reducing the administrative burden of completing annual recertifications for the majority of households currently receiving assistance. Asheville Housing MTW Activity No. 2022-1 – Stepped Rent Study Every three years, we will the document the stepped-rent family's income and any changes in family composition, but income changes in these later triennial income reexaminations will not affect the total tenant payment. Income calculated

at the triennial reexamination will be based on actual adjusted income during the 12 months prior to the reexamination notice. Stepped rent families are encouraged but not required to report employment successes and income changes between these triennial reexaminations for informational purposes only.

In moving to triennial recertifications, Asheville Housing seeks to ease some of the administrative burden on staff and families alike. Staff will be freed of a significant amount of time and effort contacting and following up with families and employers, processing paperwork, and assessing rent. Families will similarly be freed from the often stressful and difficult process of gathering months of financial information and can instead focus on attaining gainful employment with an already understood, manageable rent increase to come.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Non-elderly, non-disabled families

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Original activity applied to non-exempt households selected via randomized assignment to the Stepped Rent Study Group, specifically those assigned to the Stepped Rent Group.

The expanded activity will apply to all household previously exempted from the study enrollment and new admissions moving forward.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

As this is the first year of implementation for the Stepped Rent, benefits of the reduced workload from not recertifying Stepped Rent Households, or the paused recertifications for non-study households, will not be apparent until June of 2024.

We anticipate a marked reduction in administrative burden after this point.

Does this MTW activity require a hardship policy?

Yes

This document is attached.
Does the hardship policy apply to more than this MTW activity? No
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement? No
How many hardship requests have been received associated with this activity in the past year? No hardship were requested in the most recent fiscal year.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? Yes
What is the status of the Safe Harbor Waiver request? The waiver was previously approved.
Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity. The previously approved Safe Harbor Waiver has allowed for a more streamlined process for families in need of hardships to have them processed without a need for as much income documentation, as well creating an easily understood threshold for what will constitute an income-based hardship and what will not. For staff, it has simplified the processing of these requests by allowing for an easy check between current income and rent burden.
Does the MTW activity require an impact analysis? Provided Already
What is the recertification schedule? Once every three years
How many interim recertifications per year may a household request? 2 or more
Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule. Families participating in the stepped rent will be eligible for a temporary hardship exemption if the stepped rent causes a rent burden above 40%. The rent burden may be caused by a reduction in income, an increase in eligible deductions or allowances, the annual stepped rent increase, or a combination of factors. See Attachment 1 and Attachment 6 for additional circumstances and hardship remedies.

3.d. - Self-Certification of Assets (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative Asheville Housing MTW Activity No. 2022-3 – Self Certification of Assets

Asheville Housing allows participants with asset income to self-certify the value of family assets up to \$50,000.

In doing so, the agency has alleviated some of the administrative burden falling both to voucher participants and to agency staff who spend time reviewing and calculating the effects of asset income on the individual family.

All other provisions concerning asset income remain in place, including what types of assets qualify for inclusion in family income, the means of assessing and applying actual or imputed income from the asset, and all additional regulations currently in place pertaining to asset income.

For assets totaling \$50,000 or less, the participant may submit a written declaration of the type of asset, its current cash value, and either interest rates for payable dividends or expected payments and their frequency to be received from the asset (if applicable).

For assets valued \$50,001 or more, an appropriate form of third-party documentation is required to satisfy verification requirements for the family.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The waiver has made for a modest reduction in delays on recertifications for the purpose of verifying asset income, reducing the burden on families that would need to provide it and on staff needing to verify it.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please state the dollar threshold for the self-certification of assets.

\$50,000.

4.a. - Vacancy Loss (HCV-Tenant-based Assistance)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2022-4 – Landlord Incentives

To incentivize new and continued participation from landlords in an increasingly difficult market, Asheville Housing authorizes a series of additional payments to individual landlords outlined below. These payments are paid from Asheville Housing's HAP funding, but are not to be considered payment for rent or substitution for any tenant-incurred fees or charges allowable under the lease. The Administrative Plan was updated to reflect these landlord incentive policies.

Vacancy Loss – Following the end of a family's lease and HAP Contract, a landlord may offer the unit for lease to another qualified voucher holder and request a vacancy payment for the time between the end of the former lease and the beginning of the next.

a. The vacancy payment is equal to no more than one month of the new contract rent and will be prorated if the vacancy

period is less than one month.

b. The vacancy loss payment is paid to the landlord after the next HAP contract is executed between the owner and Asheville Housing.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

This incentive has yet to be requested by any of Asheville Housing's landlords. We intend to make additional efforts to advertise this incentive going into 2024 as a means to continue furthering Housing Choice options for our residents.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program?)

To all units

What is the maximum payment that can be made to a landlord under this policy?

The vacancy payment is equal to no more than one month of the new contract rent and is prorated if the vacancy period is less than one month

How many payments were issued under this policy in the most recently completed PHA fiscal year?

0

What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?

\$0

4.b. - Damage Claims (HCV-Tenant-based Assistance)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2022-4 – Landlord Incentives

To incentivize new and continued participation from landlords in an increasingly difficult market, Asheville Housing has authorized a series of additional payments to individual landlords outlined below. These payments are paid from Asheville Housing's HAP funding, but are not to be considered payment for rent or substitution for any tenant-incurred fees or charges allowable under the lease. The Administrative Plan was updated to reflect these landlord incentive policies.

Damage Claims – Following the end of a tenant's lease and HAP Contract, the landlord may submit claims for reimbursement of damages caused by the former tenant that are beyond normal wear and tear.

a. The amount of damages reimbursed will not exceed the cost of repairs or two months contract rent, whichever is lower.

- b. The family's security deposit must first be used to cover damages. We will provide up to two months of contract rent minus the security deposit to cover the documented repairs.
- c. The damage claim payment will be paid to the landlord when the next HAP contract is executed between the owner and Asheville Housing.
- d. To qualify, landlords must contact staff for an inspection of the unit prior to beginning repairs. Following completion of the repairs, they must request a second inspection to verify repairs. The second inspection may coincide with the initial inspection for the new HAP Contract.
- e. The landlord must provide thorough documentation of actual costs for the repairs via invoices and receipts for services and materials.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

Asheville Housing issued four damage claim payments in 2023, comprised of three individual landlords and one apartment complex. The individual landlords were particularly meaningful: while apartment complexes and other large-scale business landlords are capable of housing large quantities of tenants, it is our individual landlords with only one or two units to rent who represent some of the greatest opportunities for our residents to experience positive quality-of-life changes and personal rental relationships. This group is also one of the least likely to rent to our tenants again after a poor experience, and this mitigation allowed for us to combat that stigma and create future opportunities with these valuable community partners.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program?

To all units

What is the maximum payment that can be made to a landlord under this policy?

The amount paid may not exceed the cost of repairs or two months contract rent, minus the security deposit, whichever is lower

How many payments were issued under this policy in the most recently completed PHA fiscal year?

4

What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?

\$8,773

4.c. - Other Landlord Incentives (HCV- Tenant-based Assistance)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW

activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2022-4 – Landlord Incentives

To incentivize new and continued participation from landlords in an increasingly difficult market, Asheville Housing has authorized a series of additional payments to individual landlords outlined below. These payments are paid from Asheville Housing's HAP funding, but are not to be considered payment for rent or substitution for any tenant-incurred fees or charges allowable under the lease. The Administrative Plan was updated to reflect these landlord incentive policies.

Landlord Incentives – Incentives are paid to new landlords renting units on the program for the first time, and existing landlords executing HAP contracts for units that have not previously been rented to voucher holders within the previous two years.

- a. Each incentive payment will be equal to \$1000.
- b. The incentive payment will be paid to the landlord after the HAP contract is executed between the owner and Asheville Housing.
- c. A landlord may receive either the new landlord incentive or new unit incentive, but may not receive both for a single unit lease-up.
- d. Each landlord may receive no more than five incentive payments in a calendar year, except that there is no annual limit on the number incentive payments a landlord may receive for units that are located in high opportunity areas, defined as census tracts with a poverty rate of 20% or less.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

As of submission date, 63 incentive payments have been completed to a total of 59 different landlords, 27 of whom were brand new to the program. These represent 63 individual new units brought into the program with each new landlord carrying the potential to become a long-term partner in assisting our households.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program?

To all units

What is the maximum payment that can be made to a landlord under this policy?

Each individual payment will be equal to \$1,000. There is an annual cap of five payments per landlord. An exception will be made for units located in high opportunity areas (defined as census tracts with a poverty rate of 20% or less). These units will have no limit on individual payments to landlords, and will not count towards the five-payment limit

How many payments were issued under this policy in the most recently completed PHA fiscal year?

63

What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal

year?

\$63,000

5.c. - Third-Party Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2022-5 – HQS Inspections

Asheville Housing Authority will begin using its own trained employees in the Housing Choice Voucher Program to perform regular and interim HQS Inspections of project-based voucher units that Asheville Housing owns and manages.

This provision will in no way alter any aspect of HQS Inspection requirements as pertains to frequency of inspections, performance requirements, acceptability criteria, or certification standards for the individual inspectors completing the assessments as defined by HUD. Inspectors will report directly to the HCV Director and will in no way be under the supervision or direction of property management staff or leadership.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

Due to inspection staffing shortages, Asheville Housing has been delayed in implementation of this waiver, but intends to utilize it as soon as enough qualified candidates are hired.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please explain or upload the description of the quality assurance method:

Following will explain the quality assurance method

See Attachment 7 for quality assurance method.

This document is attached.

10.d.HCV - Modify or Eliminate the Contract of Participation (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

MTW Activity No. 2022-2 – Family Self-Sufficiency Program with MTW Flexibility

Contract of Participation. Asheville Housing developed a modified MTW FSS Contract of Participation including the following provisions:

- i. The Contract will have an initial term of 5 years, and for good cause at the discretion of Asheville Housing, may be extended between 1 and 5 additional years.
- ii. Any adult member of an eligible FSS family may sign the Contract and work to complete the individualized training and services plan, not just the head of household, but there will be only one Contract per family.
- iii. If the Contract is ended for any reason other than the participant's failure or refusal, without good cause, to comply with the terms of the Contract, then the Contract will be considered nullified rather than terminated, and the FSS escrow funds earned to that date will be distributed to the family.
- iv. If the person who signed the Contract becomes permanently disabled and unable to work or dies during the period of the Contract and it is not possible to modify the Contract to designate a new adult in the FSS family, then the Contract will be nullified and escrow funds will be disbursed to the family.
- v. If the FSS family's income grows to a point that the standard HUD rent calculation (30% of income) would exceed the Fair Market Rent, the family will not be required to end their FSS participation, so long as they continue to be an HCV program participant.
- vi. If an FSS family joins the HCV Homeownership Program and purchases a home with an HCV homeownership voucher before the end of the Contract, the family will be eligible to continue FSS participation for the then remaining Contract term.
- vii. Interest earned in Asheville Housing's combined bank account for FSS escrow funds will be retained for FSS program purposes, including supportive services for FSS participants and training for FSS staff.
- viii. In order to successfully graduate from the FSS program the family must be independent from applicable welfare assistance at the time of graduation, but it will not be necessary for that independence to be demonstrated for 12 months.

Safe Harbor Provisions:

- i. We have reviewed the HUD FSS guidance as required by the Operations Notice including the Promising Practices Guidebook and Online Training.
- ii. We will execute a Contract of Participation, or other locally developed agreement, that is at least five years and no more than ten years, with each participant in our FSS program.
- iii. Prior to implementation, we will ensure that we have an up-to-date approved FSS Action Plan in accordance with 24 CFR 984.201 that incorporates all modifications to the FSS program approved through this waiver.
- iv. We will not require MTW FSS Program participation as a condition for housing subsidy for elderly and disabled families.
- v. We do not plan to require MTW FSS Program participation as a condition for receiving a housing subsidy at this time, but if that changes in the future, we will prepare and submit the required impact analysis first.
- vi. We do not plan to require MTW FSS Program participation as a condition for housing subsidy at this time, but if that changes in the future, we will prepare and submit the required hardship policy first.
- vii. We will not make MTW FSS Program participation mandatory for individuals who do not meet the definition of an eligible family at section 23(n)(3) of the 1937 Act, and those exempted from the Community Service Requirement under section 12(c)(A-E) of the 1937 Act.
- viii. We do not plan to require MTW FSS Program participation as a condition for housing subsidy at this time, but if we adopt a mandatory MTW FSS Program in the future and a decision is made to terminate the housing subsidy or tenancy of a family for alleged violation of mandatory MTW FSS Program Participation, the family will be entitled to a Hearing under the HCV informal hearing process (24 CFR part 982.555; Chapter 16 of the Administrative Plan).
- ix. We will not use income increases during participation in the MTW FSS Program to change a family's eligibility status for purposes of participation in the MTW FSS Program or for the receipt of public housing or HCV assistance.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The modified FSS Contract has been positively received by FSS Participants and staff as it has been gradually

implemented. Current FSS Participants are continuing to be moved to either the new Contract or to the modified awards-based model, or else graduated from the program, and reporting will be updated following the first full year of implementation.

Does this MTW activity require a hardship policy?

No

No document is attached.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

No

No document is attached.

10.e.HCV - Policies for Addressing Increases in Family Income (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

MTW Activity No. 2022-2 – Family Self-Sufficiency Program with MTW Flexibility

Escrow Accounts. Asheville Housing has changed the calculation of HAP funds deposited to escrow for FSS participants. For FSS escrow accounts established after the effective date of this policy change, escrow funds are awarded based on specific accomplishments, rather than calculation of income and rent. This change makes the escrow account process more equitable, reducing the variability of escrow awards based on factors beyond the family's control, such as family income at the time they join FSS and differences in earning potential between families. The initial schedule of awards is listed in Table 2, and may be amended from time to time with approval of the Board of Commissioners.

This modification puts families on a level playing field for escrow earnings and emphasizes the importance of specific FSS goals. It also makes the calculation of escrow deposits simpler, more transparent, and more reliable.

FSS families with existing escrow accounts calculated in the traditional manner on the effective date of the policy change, and new families joining FSS who are assigned to the income-based rent, have the option to be grandfathered in to the traditional escrow calculation process. In other words, an FSS family with an established escrow account, or a family assigned to the income-based rent newly joining FSS, will continue to receive escrow deposits calculated in the traditional way, unless they choose the new model voluntarily. If a family chooses to transition to the new model, they will retain escrow account balances previously earned under the traditional calculation and will earn new escrow awards in Table 2 for goals that are achieved after that transition.

Safe Harbor Provisions:

- i. We have reviewed the HUD FSS guidance as required by the Operations Notice including the Promising Practices Guidebook and Online Training.
- ii. We will execute a Contract of Participation, or other locally developed agreement, that is at least five years and no more than ten years, with each participant in our FSS program.
- iii. Prior to implementation, we will ensure that we have an up-to-date approved FSS Action Plan in accordance with 24 CFR 984.201 that incorporates all modifications to the FSS program approved through this waiver.
- iv. We will not require MTW FSS Program participation as a condition for housing subsidy for elderly and disabled families.
- v. We do not plan to require MTW FSS Program participation as a condition for receiving a housing subsidy at this time, but if that changes in the future, we will prepare and submit the required impact analysis first.
- vi. We do not plan to require MTW FSS Program participation as a condition for housing subsidy at this time, but if that changes in the future, we will prepare and submit the required hardship policy first.
- vii. We will not make MTW FSS Program participation mandatory for individuals who do not meet the definition of an eligible family at section 23(n)(3) of the 1937 Act, and those exempted from the Community Service Requirement under

section 12(c)(A-E) of the 1937 Act.

viii. We do not plan to require MTW FSS Program participation as a condition for housing subsidy at this time, but if we adopt a mandatory MTW FSS Program in the future and a decision is made to terminate the housing subsidy or tenancy of a family for alleged violation of mandatory MTW FSS Program Participation, the family will be entitled to a Hearing under the HCV informal hearing process (24 CFR part 982.555; Chapter 16 of the Administrative Plan).

ix. We will not use income increases during participation in the MTW FSS Program to change a family's eligibility status for purposes of participation in the MTW FSS Program or for the receipt of public housing or HCV assistance.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

As of submission date, 27 new FSS Participants have enrolled into the new awards-based model. Nine existing participants elected to convert from the traditional model to the awards-based one, and one of these individuals has successfully graduated the program. We consider these numbers to be a promising start for the first year of

implementation.

Does this MTW activity require a hardship policy?

No

No document is attached.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

No

No document is attached.

How will the MTW agency treat increased earnings for families participating in the FSS Program with MTW flexibility?

Rather than calculating escrow on increased earnings, the following Table will be used to determine escrow contributions based on accomplishments by the participant.

Table 2. FSS Escrow Awards

FSS Engagement:

Signed COP & ITSP (Enrollment) \$250

Active Participation (Quarterly) \$75

Graduation from FSS \$2,000

Education/Training:

Complete High School Equivalency (GED) \$500

Complete Training/Certificate Program \$750

Earn Associate Degree or Higher \$2,000

Employment:

New Employment (1st entry after enrollment) \$500

Employment Promotion \$750

Employment Retention (awarded annually) \$500

Childcare (voucher or other reliable) \$250

State Issued Driver's License \$250

Reliable Transportation (personal vehicle) \$500

Lease:

Timely Rent Payments (awarded annually) \$250

No Lease or Housekeeping Violations (awarded annually) \$250

Resident Association Leadership (awarded annually) \$250

Financial Strength/ Asset Building:

Engage in Financial Education/Counseling Program \$250

Improve credit score to 640 \$1,000

Increase Personal Savings (variable, match up to \$2,000 at graduation)

Homeownership:

Complete Homeownership Training Program \$500

Closing on Purchase of Home \$2,500

Transition off of HCV Homeownership Subsidy \$2,500

12.b. - Work Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing will implement a Work Requirement for eligible households, mandating a minimum of 15 hours per week per eligible household member over the age of 18. This will not apply to elderly/disabled households, households in which the sole eligible adult or the primary caretaker to at least one child under six years of age, households receiving assistance under a Special-Purpose Voucher, or households enrolled in the Stepped and Tiered Rent Demonstration. This waiver will increase self-sufficiency by creating a minimum threshold for employment to a notable percentage of tenants receiving assistance, as well as offering additional employment-seeking resources to households both subject and not subject to the requirement.

We have determined that this requirement will be best applied to applicant families newly admitted to our programs, and we plan to begin that process in 2025 or early 2026. For the benefit of these new families who are subject to the work requirement, they will be assigned to the Stepped Rent (see MTW Activity 2022-1). Of course, because enrollment in the HUD Stepped and Tiered Rent research study has closed, these new Stepped Rent families will not be added to the study cohort.

See Attachment 8 for Additional Policy Provisions as well as the Hardship Policy.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new

admissions and currently assisted households? New admissions (i.e., applicants) only
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies only to selected family types
Please select the family types subject to this MTW activity. Non-elderly, non-disabled families
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. The waiver will not apply to households for which one or more of the following applies: i. Head of Household qualifies as Elderly or Disabled under HUD's current definitions. ii. Head of Household is the primary caretaker for a child or children under the age of six. Adults who are classified as full-time students may request an exemption from the requirement. iii. Special-Purpose Voucher Household (including HUD-VASH, Emergency Housing Vouchers, Mainstream, Non-Elderly Disabled, Enhanced Vouchers, and Homeownership). iv. Households currently participating in the STRD Study.
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. Implementation will begin in 2025 or early 2026.
Does this MTW activity require a hardship policy? Yes This document is attached.
Does the hardship policy apply to more than this MTW activity? No
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement? No
How many hardship requests have been received associated with this activity in the past year? No hardship were requested in the most recent fiscal year.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Does the MTW activity require an impact analysis? Provided Already
Does the work requirement MTW activity exempt any type of household or individual other than those required to be excluded through the MTW Operations Notice or those excluded as a reasonable accommodation?

Yes

Please describe the conditions for exemption.

- i. Head of Household qualifies as Elderly or Disabled under HUD's current definitions.
- ii. Head of Household is the primary caretaker for a child or children under the age of six. Adults who are classified as full-time students may request an exemption from the requirement.
- iii. Special-Purpose Voucher Household (including HUD-VASH, Emergency Housing Vouchers, Mainstream, Non-Elderly Disabled, Enhanced Vouchers, and Homeownership).
- iv. Households currently participating in the STRD Study.

What counts as "work" under this the work requirement MTW activity?

Gainful employment averaging 15 hours or more per week per eligible household member over the age of 18. This may come from one employer, or several, and hours worked by different household members may be added together to constitute the household average.

A minimum of nine credit-hours (or equivalent if using a non-credit-based institution) at an accredited university, community college, technical college, or active enrollment in a jobs training or high school equivalency program may serve as an acceptable substitution for the minimum employment threshold. This must be renewed on an annual basis and will apply only to Head of Household or their spouse.

Households that are self-employed and properly report income from their active business will also be considered in compliance without attestation of specific hours worked.

How will the MTW agency monitor compliance with the work requirement MTW activity?

As a result of delays in implementation resulting from staff shortages and the recovery response to Hurricane Helene, implementation is expected to take place no earlier than January 1, 2026. Implementation will be limited to applicant families newly admitted to our programs.

Upon entering non-compliance status with the Work Requirement (defined as a non-exempt household failing to report a cumulative minimum of 15 hours per week of work, or a sufficient substitute), the household will enter an Action Period of three calendar months, beginning the first of the month following confirmation of the status.

During the Action Period, the household will continue to receive subsidy while they attempt to gain or regain minimum employment or an acceptable substitute. They may also complete Unit Transfers, receive Utility Assistance, request Reasonable Accommodations, and generally utilize all voucher privileges as usual during this time.

The Action Period may be extended an additional three months if the household enrolls in the Family Self-Sufficiency Program or to receive assistance from Residence Services prior to the expiration of the initial Action Period. If the household enrolls early in the period, or if they are already actively enrolled in FSS, the six-month period will be granted from the outset. Households may also utilize a different supportive service, such as the VA, County, or a similarly resourced local agency, and may request to have this agency counted under the condition that they can provide written verification of active enrollment and participation, and as subject to Director Approval.

An additional three-month extension may be available if the tenant continues to demonstrate consistent and diligent effort to obtain employment or a suitable substitute and have just not been successful. This would need to be requested in writing, be accompanied by written verification from the supportive services representative working with the household attesting to their continued efforts, and subject to Director Approval.

What supportive services are offered to support households to comply with the work requirement?

Asheville Housing will aid all assisted households seeking employment or an acceptable substitute via Residence Services and the Family Self-Sufficiency program. These services will be available to all households regardless of whether they are in compliance, not in compliance, or exempt from the Work Requirement altogether.

Services will include but not be limited to: screening and addressing current barriers to employment, access to computers and internet on-site to assist in applications, resume and cover-letter writing, interview strategies, networking, and agency referrals. Asheville Housing may also provide on-site services at some of our developments for households needing childcare assistance in order to work or seek work.

Households may also pursue supportive services from other local agencies or providers. In order for these services to qualify for the extension of the Action Period for households in non-compliance status, the household will need to provide written verification from the provider confirming active enrollment and participation. This verification will be submitted to one of the Directors of the Housing Choice Voucher Program, and only qualify if approved. Participation with another provider will not preclude the household from also utilizing assistance provided by Residence Services or FSS.

How does the agency address noncompliance with the work requirement policy?

Failure to comply will result in three warnings over a three month period of time. After three months of non-compliance, tenants will be subject to eviction. The household's voucher assistance will be terminated with appropriate notice and opportunity for an appeal hearing with the Directors of the Housing Choice Voucher Program.

How many households are currently subject to the policy?

0

How many households in the most recently completed PHA fiscal year were sanctioned for non-compliance with the work requirement?

0

17.a. - Rental Subsidy Programs

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Asheville Housing MTW Activity No. 2023-3 – LNT– Rental Subsidy Program

Asheville Housing will initiate an MTW sponsor-based program to provide rental subsidies to third-party entities (other than a landlord and tenant). Selected entities will manage intake and administration of the subsidy program to implement supportive housing programs and services to help individuals and families experiencing homelessness reach independence. This flexibility may include either shallow subsidies for families who need short-term assistance, or deeper long-term subsidies for families who need permanent supportive housing, or both.

We will implement this initiative in collaboration with the Asheville-Buncombe Continuum of Care (NC-501) and its member agencies to prioritize needs appropriately. Through that collaboration, we will ensure that families, as well as individuals, experiencing homelessness receive appropriate support, and that implementation is reviewed through a racial-equity lens so that members of protected groups experiencing homelessness receive fair housing opportunities.

Asheville Housing will not spend more than 10% of its annual HAP budget on this program, alone or in combination with other local, non-traditional activities. Families receiving housing through this local, non-traditional activity shall meet the HUD definition of low-income (income at or below 80% of AMI). Activities will be subject to PIH Notice 2011-45 or any successor notice/guidance from the HUD MTW Office. MTW funds awarded to a third-party provider will be through a competitive procurement process.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions (i.e., applicants) only
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No
Does the MTW activity apply to all LNT units/properties? The MTW activity applies to all units/properties

Table 17.a.1 - For each third-party partner, please complete the information in the following table.

Third-party Partner	Type of Services the Partner Provides	# of Units Allocated to that Partner for the Fiscal Year
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17.c. - Housing Development Programs
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative Asheville Housing MTW Activity No. 2024-3 – LNT– Homeownership Development Program Asheville Housing has already received conditional approval for use of MTW Funding to acquire, renovate, and build affordable units for low-income families (see original text below). This activity will amend that previous initiative to also include specific utilization towards the purchasing, renovation, and building of units specifically for our Homeownership Program. This waiver adjustment will serve the statutory goal of increasing Housing Choice by reducing the barriers between low-income households that have met all requirements to qualify for Homeownership but struggle to procure quality long-term homes at affordable rates in an increasingly competitive housing market. All original designations and commitments will remain in effect, including compliance with PIH Notice 2011-45, section 30 of the 1937 Housing Act, and the awarding of any funds to third-party contractors through a competitive process. No more than 10% of the annual HAP budget will be cumulatively spent on this and all other LNT projects altogether, and all households benefiting through this waiver will meet the HUD definition of low-income (income at or below 80% of AMI). Asheville Housing MTW Activity No. 2023-4 – Local Non-Traditional Activity – Housing Development Program Asheville Housing will initiate an MTW Housing Development Program to use HAP funding to acquire, renovate and/or build affordable units for low-income families that are not public housing units. Activities will include gap financing for development of affordable housing, development of project-based voucher units and tax credit partnerships. The initial development projects include: • Reimagining Deaverview will be applying for a Choice Neighborhoods Planning Grant in June of 2025 in partnership with the City of Asheville and other local partners. • A similar phased redevelopment of other HACA properties in the future. • Development of additional housing on HACA owned land. Asheville Housing will not spend more than 10% of its annual HAP budget on this program, alone or in combination with other local, non-traditional activities. Families receiving housing through this local, non-traditional activity shall meet the HUD definition of low-income (income at or below 80% of AMI). Activities will be subject to PIH Notice 2011-45 or any successor notice/guidance from the HUD MTW Office. Asheville Housing will comply with any applicable provisions of Section 30 of the 1937 Housing Act. Any MTW funds awarded to a third-party provider will be through a competitive procurement process.

These activities will be funded initially from unused HAP funds currently in HUD-Held Reserves to minimize any impact on voucher utilization.
Which of the MTW statutory objectives does this MTW activity serve? Self-sufficiency; Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. Homeownership Voucher Participants, Deaverview Apartments, Pisgah View Apartments, and three future apartments on Gaston Street.
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. Due to unexpected setbacks in securing the additional funding necessary beyond the HAP funding granted by the original waiver, construction processes have been delayed on the initial Deaverview project outlined in 2023-4. Current intentions are to begin construction as soon as possible after alternative funding sources are secured.
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? No

Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Affordable Housing Development (various)	New Construction or Rehabilitation	Construction costs	0.00	0.00	0.00	0.00	0.00	0.00

Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Reimagining Deaverview - Phase 1	New Construction	Choice Neighborhoods	0.00	0.00	0.00	0.00	0.00	0.00

Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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D.	Safe Harbor Waivers.
D.1	Will the MTW agency submit request for approval of a Safe Harbor Waiver this year? No Safe Harbor Waivers are being requested.

E.	Agency-Specific Waiver(s).
E.1	Agency-Specific Waiver(s) for HUD Approval: The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I. In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable. For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement. Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year? No

E.2	Agency-Specific Waiver(s) for which HUD Approval has been Received: Does the MTW agency have any approved Agency-Specific Waivers? Yes														
	<table border="1"> <thead> <tr> <th>Title</th> <th>Has there been a change in how the waiver is being implemented from when it was originally approved?</th> <th>Please provide a description of what has changed.</th> <th>Please provide a description of the final outcomes and lessons learned from implementing this Activity at your PHA.</th> <th>If the MTW Agency was previously required to prepare an impact analysis, was a final impact analysis prepared at the time of discontinuation?</th> </tr> </thead> <tbody> <tr> <td>2023-5 - HCV Homeownership</td> <td>No</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Title	Has there been a change in how the waiver is being implemented from when it was originally approved?	Please provide a description of what has changed.	Please provide a description of the final outcomes and lessons learned from implementing this Activity at your PHA.	If the MTW Agency was previously required to prepare an impact analysis, was a final impact analysis prepared at the time of discontinuation?	2023-5 - HCV Homeownership	No			
	Title	Has there been a change in how the waiver is being implemented from when it was originally approved?	Please provide a description of what has changed.	Please provide a description of the final outcomes and lessons learned from implementing this Activity at your PHA.	If the MTW Agency was previously required to prepare an impact analysis, was a final impact analysis prepared at the time of discontinuation?										
2023-5 - HCV Homeownership	No														

F.	Public Housing Operating Subsidy Grant Reporting.
F.1	Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
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G.	MTW Statutory Requirements.
G.1	75% Very Low Income – Local, Non-Traditional. HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.
Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
80%-50% Area Median Income	0
49%-30% Area Median Income	0
Below 30% Area Median Income	0
Total Local, Non-Traditional Households	0

*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

G.2	Establishing Reasonable Rent Policy.
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency? Yes	

G.3	Substantially the Same (STS) – Local, Non-Traditional.
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	# of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	# of unit months

Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
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G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	

Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
1 Person	0
2 Person	0
3 Person	0
4 Person	0
5 Person	0
6+ Person	0
Totals	0

H.	Public Comment
Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.	

I.	Evaluations.
No known evaluations.	