



Draft for Public Comment
Yakima Housing Authority
MTW Plan
9/1/2021

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a) MTW Plan

(1) Vision for Yakima Housing Authority's Local MTW Program

The Yakima Housing Authority is pleased to submit this application for the MTW Demonstration Program. Our mission is “building stronger communities through our commitment to safe and affordable housing”. We believe that our participation in MTW will help us further our mission. We have a vision where YHA is able to maximize the number of households served through the voucher program and making changes to the voucher program to make it more efficient to operate, more likely to increase the self-sufficiency of its participants, and more likely to attract and retain landlords. YHA has a vision to create locally designed programs which address the challenges we see here in Yakima and Kittitas Counties. Our vision would focus on the three statutory objectives: cost effectiveness, self-sufficiency, and housing choice as well as the required activities related to landlord incentives. We look forward to implementing changes in the voucher program that will reduce the cost to administer the program, getting rid of or simplifying regulations and processes that are overly complicated and confusing to landlords, participants and staff. We believe that there is already a wealth of ideas related to cost effectiveness used by current MTW agencies, however we also want to see if there are other changes that would make sense for us, based on our unique geographical, housing market and participant needs and challenges.

Our vision is also that self-sufficiency would increase among our program participants. We want to establish policies and provide resources and services that enable stability and motivate personal growth. We believe that through a combination of policy changes and partnering with other social service agencies we should be able to make changes that will increase self-sufficiency.

Finally, in the area of housing choice and landlord incentives, YHA will explore changes that will increase landlord participation as well as policies that will allow the voucher participants more choice. These ideas will have to be balanced with cost-effectiveness as many landlord incentives or higher payment standards that can provide more housing choice, are more expensive and we remain committed to serving as many households as possible.

Lowel Krueger, YHA's Executive Director, would have primary oversight of the MTW program. Mr. Krueger has been the Executive Director of YHA for 13 years and was previously the CFO at the Yakama Nation Housing Authority. Mr. Krueger has been innovative in his approach to affordable housing by leading the first housing authority in the United States to complete the renovation of its former public housing units, through the Rental Assistance Demonstration program.

Mr. Krueger serves on several boards associated with affordable housing, which include the Washington State Housing Finance Commission, Affordable Housing Advisory Board, National

Association of Housing and Redevelopment Officers, Association of Washington Housing Authorities, Impact Capital and the Homeless Network of Yakima County.

Amanda Delp will assist in the administration of the MTW program. Ms. Delp is the Section 8 Housing Supervisor and in charge of running the HCVP for YHA. She has been with the YHA since 2013. Ms. Delp previously was the Program coordinator for the University of Washington Gear Up Program which tries to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. YHA actively partners with Gear Up and believes it will help break the cycle of intergenerational poverty along with other YHA efforts which could be amplified by MTW.

Carlos Reyes will assist in the administration of the MTW program. Mr. Reyes is the Family Self-Sufficiency supervisor at the Yakima Housing Authority where he has worked since 2012. Mr. Reyes' contacts in the community and background with helping clients gain self-sufficiency will be invaluable to creating an MTW program that helps residents gain self-sufficiency. Mr. Reyes serves on several committees, which include the Yakima Valley Asset Building Coalition, Yakima Valley Home Ownership Fair, the Homeless Network of Yakima County, MSFW Advocacy Group, Homeless Planning and Policy Council for the Yakima Valley Conference of Governments, and the Central Washington University High School Equivalency board.

Statement of fair housing and other civil rights

YHA certifies it will carry out MTW activities in compliance with Title VI of the Civil Rights Act of 1964; the Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II of the ADA Act of 1990; all regulations implementing these authorities; other applicable Federal, State, and local civil rights laws; and it will affirmatively further fair housing including: (1) take meaningful actions to further the goals identified by the Assessment of Fair Housing conducted in accordance with 24 CFR 5.150-5.180 and 903.15; (2) take no action that is materially inconsistent with its obligation to affirmatively further fair housing; and (3) address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d).

Many low to moderate income renters are stretched and hard-pressed to pay first and last months' rent, many landlords are requiring damage deposits nowadays. More and more often the damage deposits are not refunded by landlords which compounds the problem for renters to move into another rental with even less money available. However, YHA participates in a local program for our participants which includes security deposit funds to eligible households.

The City of Yakima identifies the following needs for specific types of housing in the consolidated plan low-income Senior, low-income individual and family and low-income individual and family with special needs, homeless and at-risk of becoming homeless, including veterans. The City of Yakima continues to support affordable housing and strives to partner with

Community Housing Development Organizations and YHA to affirmatively further fair and affordable housing within its city limits with the limited funds it receives. The 2040 Yakima Comprehensive Plan has a number of proposals that would encourage the production of affordable housing, including zoning changes, approval of ADU's, reduced fees related to affordable housing construction, and others.

Needs of Senior/Disabled Households: The City of Yakima identifies this group as one of the highest priority special populations as they have extremely limited fixed-income, rising healthcare costs and ever-increasing cost of living. This extremely vulnerable group has no viable expectation of improving their situation due to their declining physical conditions without outside assistance.

Special Needs Facilities and Services - There are over 45 different public, non-profit, and private agencies providing housing and housing services within Yakima of which at least 8 serve the mentally ill, 13 serve substance abusers and addictions, 1 serves persons with HIV/AIDS, 1 serves persons with suicidal risks, and 2 serve crisis pregnancies.

2) Plan for Future Community/Resident Engagement

YHA believes in community and resident engagement. If selected for this cohort, YHA will host a series of meetings with residents and other stakeholders to explain what MTW means for YHA and discuss the future of the agency and the MTW program. These initial meetings will inform the future vision for the agency's MTW plans. YHA had requested a determination from HUD for our eligibility to apply beginning on February 17, 2021 and were not notified that we were eligible to apply until August 2, 2021. We immediately began plans to apply even though there would be very little time to spare. As such, while we have complied with the resident and community engagement efforts required to apply, if selected we would have a broader engagement period than we might have if we had had more time to conduct the type of robust engagement process that we normally would do for a change like MTW. YHA will form a MTW Advisory Committee consisting of staff, residents, and interested stakeholders who will work together on developing ideas for MTW that can be further developed for inclusion in future MTW Plans. Both the MTW Advisory Committee and the Resident Advisory Board (which is broader than just a PH RAB as it includes participation from YHA's total portfolio) will be provided with updates about how MTW initiatives are doing. YHA believes that MTW is an experiment and not every policy innovation we try may be successful or perfect on the first try. YHA will consult with these groups to get feedback on what is working and what could be improved. Of course, in addition YHA will follow established MTW public and resident processes related to public notice, public meetings, and Board approvals.

YHA offers a translation service with vast capabilities, but it is rarely utilized. The most common assistance sought by people with limited English proficiency is for Spanish. Approximately 50% of our staff speak Spanish and can accommodate request without difficulty.

YHA conducts both very broad public engagement events, like hosting the Yakima Valley National Night Out with over 1,500 attendees and 50+ community service providers, and very targeted outreach efforts, like building a partnership with the nearby Yakama Nation, using KDNA and El Sol (local Spanish language radio and newspaper), participating in the VA's Stand Down annual event and others.

(3) PHA Operating and Inventory Information

Vouchers

- YHA has 1,263 ACC units in its HCVP.
- YHA operates a 15-unit Non-Elderly Disabled (NED) voucher program.
- YHA operates a 93-unit VASH program.
- YHA operates a 115-unit Mainstream program.
- YHA operates a 75-unit Emergency Housing Voucher program.
- YHA operates a 6-unit Foster Youth Initiative program.

Physical Units

- YHA currently operates and maintains 150 HUD Project- Based Voucher units which were converted from public housing through the Rental Assistance Demonstration.
- YHA owns and manages 198 (142 units funded through USDA Rural Development) of agricultural rental housing located at 49 different sites in Yakima County.
- YHA owns and manages 10 units (76 beds) of migrant worker housing for individuals or families and 16 units (176 beds) of H-2A housing.
- YHA owns and manages a 38- and 51-unit apartment buildings for the elderly/disabled.
- YHA operates a 38-unit private activity bond funded development for families.
- YHA operates a 24-unit development funded with USDA Rural Development 515 funds.
- YHA operates a 41-unit development for homeless veterans.

The City of Yakima's Housing Action Plan (June 2021) states, "Over half (56%) of Census tracts have concentrated populations of lower socioeconomic status. Yakima city is also home to many people of color and non-English speaking residents, who also disproportionately face displacement risk."

YHA serves just under 3,000 residents between all our programs. Of the total population, 56% are Hispanic, 33% are white non-Hispanic, 5% are Native American, 4% are African-American, and 2% are other. This makes sense as YHA operates an agricultural laborer housing program which is largely Hispanic. When looking only at the HCVP the breakdown is 53% white non-Hispanic, 30% Hispanic, 7% African-American, 7% Native American, and 1% other. For our total portfolio 46% of residents are children, 41% are aged 19-61 and 13% are seniors. YHA does not anticipate any major changes to the demographics of whom we serve as a result of MTW.

YHA does not have any major plans for its existing housing stock, as a result of MTW participation, for two reasons. The first is that using RAD, we have already converted our public

housing units and invested millions of dollars in capital work. The second is that the balance of our portfolio is not Section 8 or Section 9 housing and the flexibilities offered by MTW would not result in any changes to our existing portfolio. However, if selected as part of the MTW expansion, YHA will likely seek to expand our use of the PBV program by exploring increase project limits and overall PBV caps as well as conducting housing development under the local non-traditional activities under the program.

As summarized above, YHA owns, manages and administers a wide-range of housing assistance programs for non-elderly disabled households, elderly/disabled households, foster youth, homeless veterans, a range of vulnerable populations under the Emergency Housing Voucher program. Special populations have challenges in their lives and need the right kind of supportive services by qualified partner organizations. YHA has risen to meet those challenges by providing stable affordable housing with our community partners. Excluding RAD-PBV units, YHA has HAP contracts for 750 project-based units in HUD-VASH PBV and HUD-VASH HCV, HUD 202, Section 221 (d)(3) developments, at which a variety of supportive services are provided to special populations including formerly homeless, disabled, and families.

YHA is very innovative and pleased to share several examples. One great example of innovation and creativity is the development of the Chuck Austin Place, a 41-unit development for homeless veterans, which opened in August of this year. YHA first acquired the land through the federal surplus property at no cost. Then YHA used project-based VASH vouchers to provide the subsidy for the new development. Low Income Housing Tax Credits were used to raise the capital for the construction. Rooftop solar panels were installed through a grant from Pacific Power's Blue Sky fund.

An earlier example of innovation and creativity is YHA's early embrace of the Rental Assistance Demonstration. YHA has converted all of our public housing using RAD. We were one of the earliest PHA's to do so, having converted our units in 2013. We were also one of the very few PHA's (if not the only PHA) in Washington to be able to use the 9% LIHTC program in conjunction with the conversion.

Another example of innovation is the YHA's Supported Employment program. YHA was the first housing authority in Washington State to gain a Medicaid waiver to offer Supported Employment services under the Foundational Community Supports. YHA sought to address a growing service gap by providing targeted Medicaid benefits that help eligible clients with complex health needs obtain and maintain employment through Supported Employment services. This becomes particularly urgent when families with children are on the verge of losing their housing due to a lack of support. As a housing provider entering the medical provider arena, there was a steep learning curve and plenty of obstacles to overcome to attain all necessary credentials and finally contract as a medical provider with Amerigroup for Supported Employment. For an agency our size, staff capacity was the most daunting obstacle or overcome.

It took the leadership of the Yakima Housing Authority to bring all the partners together in order to make the idea into reality. The result is a full-time supported Employment Specialist with an average caseload of 20 clients every six months. Not only does this program generate income for YHA, it also helps a vulnerable population get better services and an opportunity for employment.

The final example of innovation is the use of Cosecha Court, USDA agricultural laborer housing, for the homeless during the winter months when the units would otherwise be vacant. In the lower, more rural Yakima Valley there are zero family shelters and only one limited capacity shelter for singles. YHA saw an opportunity to make better use of this community asset by opening it up to homeless housing providers during the winter months. In the fall of 2016 YHA requested occupancy waivers from its funders, USDA Rural Development and the Washington State Department of Commerce, to allow this farmworker housing to be used by a different population in the winter months. Both funders agreed and YHA was able to partner with two local community agencies who provide housing and services to the homeless, Yakima Neighborhood Health and Northwest Community Action Center. The units were fully in use by January 2017. This is the first time that seasonal farmworker housing has been used to house the homeless within the state of Washington.

YHA is determined to serve our community the best that we can. This means that we are always exploring new grant opportunities and applying when we believe that we qualify. This has resulted in our ability to expand the number of households that we serve, from 2012 when had 1,110 units between our programs, to 2020 when we had 1,728, over a 55% increase.

(4) Plan for Local MTW Program

YHA wants to implement the following MTW types of initiatives in addressing local needs.

Cost Effectiveness: YHA wants to find ways to reduce the cost of administering the voucher program. Within the confines of HUD's MTW Expansion Operations Notice, we will look to simplify the calculation of TTP possibly with tiered rent and issues around voucher administration. We are looking at the elimination of utility reimbursements when the utility allowance is greater than the TTP. Other waivers that looked interesting to YHA that would lead to greater cost effectiveness are: self-certification of assets, longer reexamination periods, and longer inspection periods. We anticipate looking at what other MTW agencies have done in this regard and see if there are approaches that make sense to us. If allowed by the Department, we may want to explore making permanent some of the recent COVID waiver changes. In the past, YHA has not received enough HAP funding to fully utilize the number of authorized vouchers. However, with the MTW expansion flexibility we have selected, including SAFMR-based payment standards, over time YHA plans to have more cost-effective programs both in terms of rent subsidy and administrative costs that will allow us to serve more households and better serve their needs.

Self-Sufficiency: YHA wants to implement policy changes that will encourage work and increase self-sufficiency. YHA believes that longer reexamination periods could lead to higher rates of self-sufficiency. YHA wants to explore expanding our success with the FSS program and Supported Employment and try to offer a MTW version of FSS. Sometimes, people do not necessarily associate affordable housing at 30% of low-income households' monthly adjusted income in both tenant-based voucher and project-based assistance programs as directly relating to self-sufficiency. However, as noted in our application, relative to our entire portfolio and HAP contracts, YHA is involved with a substantial number of low-income households with housing costs at this affordability threshold. With the right type of wrap around services pertinent to each population type and household, coupled with the type of activities and waivers YHA plans to implement if selected in Cohort #4, we believe that significantly greater numbers of households will be able to become self-sufficient.

Housing Choice: YHA wants to implement changes to increase housing choice. YHA would like to implement activities that will provide more choice to voucher clients. This also fits well with the Cohort #4 objectives. YHA will explore a package of landlord incentives, improvements to voucher administration that reduce burdens for landlords and provides greater success rates in leasing and shorter turnaround times. Incentivizing landlords to participate in our voucher program through 4.2 - Front-end Vacancy Loss Payment and 4.1 - Waiver of Mandatory Initial Inspection, will help us increase landlord participation and create more housing choice for voucher holders. Having more landlords participate in the HCVP will lead to greater choice to participants.

(5) Proposed Use of MTW Funds

YHA does not request flexibility between Section 8 and Section 9 funding as we no longer have any public housing units.

(6) Evidence of Significant Partnerships

YHA has a number of significant partnerships that can help achieve the vision of our local MTW program.

One example is the forementioned Supported Employment Program (SES)– Medicaid Transformation Project initiative which embodies YHA's commitment to providing opportunities for the families we serve. SES aligns local resources to provide individualized person-centered support to clients. SES provides purpose and structure for individuals experiencing behavioral health challenges. With the right supports, individuals can reach stability in their health, housing, and employment. SE provides a new funding stream which helps attain financial sustainability for the program & agency. Integration of SE into YHA's daily operations has enhanced our relationships with our residents and has been a perfect complement to our Family Self-Sufficiency program. We believe that this model will help

residents achieve self-sufficiency and that leveraging it with MTW innovations could lead to even greater outcomes for more residents.

Another partnership is with Yakima Specialties, which serves individuals with disabilities through partnerships with local entities to provide employment opportunities. An agreement with YHA for services with Yakima Specialties helps meet the need for general, basic, minor maintenance services currently in excess of staff capacity while providing employment opportunities for people with disabilities.

The YHA sponsors the Yakima Valley Home Ownership Fair which has a committee of 11 different community organizations to help first-time homebuyers, current homeowners facing foreclosure issues, and limited English-speaking persons understand and have access to the home buying process, foreclosure mitigation information, financial capability, credit repair and additional resources at a “one-stop shop” fair. Our goal this year is to attract approximately 300-400 attendees from throughout the Yakima Valley region with an informative, festive, fun and family-oriented outing. Representatives from lending institutions, insurance companies, government agencies, non-profit housing, counseling organizations, realtors, and others participate in this event by providing information on their services and resources as an exhibitor. Bi-lingual Spanish interpreters and housing counselors are available. The Homeownership Fair is a great partnership that can help YHA residents achieve self-sufficiency through the purchase of a home.

YHA partners with WA Connection through the Department of Social and Health Services (DSHS)(WA Welfare Agency). This partnership helps applicants complete and submit online applications through Washington Connection. Washington Connection is a web-based benefit portal that offers clients a fast and easy way for families and individuals to apply for a variety of services such as Food, Cash, Child Care Subsidies, Long-Term Care, Drug and Alcohol Treatment, and Medicare Savings Programs through the DSHS. These services help families in need find stability and get back on their feet to focus on becoming economically self-sufficient. If we had MTW we believe that staff would have more capacity to increase the level of services offered to residents.

YHA works with a number of college scholarship opportunities to try to help our residents break the generational cycle of poverty through college education. Additionally, YHA has its own scholarship, the Sharon Wandler Scholarship, named in honor of a long-time employee of YHA.

YHA hosts two annual National Night Out events in the Yakima Valley. The events are typically held the first week of August, with one event in Yakima, and the other in Toppenish. The purpose of National Night Out is to encourage partnerships between the police and the community, however these events have expanded beyond that and are a great opportunity for service providers and others to interact and provide information about their services to our

residents and the greater community. Every year local law enforcement agencies and organizations are invited to participate in the events. Attending vendors are given the opportunity to set up a canopy and table, and share information to the attendees about their agency, and what services they provide. Some of our sponsors for our National Night Out events included: United Healthcare (Signature Sponsor), Regional Health, Yakima Regional Medical & Cardiac Center, AB Foods/Washington Beef, Toppenish Community Hospital, Toppenish Public Works and others. The events have made it possible for 50+ community service providers to setup a booth and provide vital service information to 1,500+ attendees (pre-pandemic averages).

YHA has a robust PBV program focused on helping the homeless which leverages the value of the HCV with the service dollars that providers bring. We will seek to expand this program under MTW by exploring increase project limits and overall PBV caps.

YHA will continue to use its position in the community to help encourage collaboration and innovative partnerships to better the lives of our residents. We are confident that with the flexibilities available under MTW we will be able to continue our track record of innovation and partnership.

b) Landlord Incentive Activities Information (suggested to be no more than five pages)

(1) Landlord Needs Assessment

YHA serves a very different population and geography than the current Washington MTW agencies which are all urban. YHA serves a rural population with an average poverty rate of 17% and a per capita income under \$30,000 a year. YHA's jurisdiction is 6,644 square miles covering Yakima and Kittitas Counties. The jurisdiction is larger than the state of Connecticut. The Yakama Indian Reservation composes 36% of Yakima County and is the 15th largest reservation in the U.S with a poverty rate over 42%. Yakima County leads Washington state in terms of the value of agricultural products. According to the 2020 census, its combined population is 305,240.

What are the rental housing market conditions? Yakima county is in the fourth district in Washington, where 34% of all households are renters. Kittitas County is in the eighth district of Washington, where 27% of all households are renters.

The rental vacancy rate in YHA's service area is approximately 0.5% according to the Washington State Apartment Market Report – Spring 2021. Only 2.1% of all homes in our service area were built since 2014. The percentage of people residing in their dwelling unit from the previous year, over the last five years is 86%. In other words, 14% of people moved since the previous year.

What types of landlords are active in the local market? Although the number of participating landlords in YHA's voucher program varies from month to month and year to year, we currently

have approximately 209 landlords (excluding units leased special purpose vouchers, RAD-PBV households, and YHA-owned units serving voucher holders). Among participating landlords in YHA's voucher program: 65% have one unit leased, making up 14% of all units leased; 12% have two units leased, making up 5% of all units leased; 3% have three units leased, making up 2% of all units leased; 4% have three units leased, making up 3% of all units leased; and 17% of all other landlords have four or more units leased.

Unit Types: The range of unit types in YHA's voucher programs include: Low Rise 41%, Row House 28%, Single Family 13%, High Rise 13%, Semi-detached (Duplex) 12%, and Manufactured 4%.

Incentivize Landlords to Improve the Quality and Maintenance of Housing The City of Yakima's (City) Housing Action Plan (June 2021) states, " While maintenance regulations discourage landlords from offering substandard housing, incentives can reward landlords that provide high-quality, well- maintained rental properties. Examples include providing landlords who meet the criteria with access to technical support, access to forums with city officials, fast- tracking of permits, reduced fees for municipal services, free or reduced cost equipment, free advertising of available rentals, and discounts at local merchants/contractors. Incentives that reward landlords who rent to lower-income residents or voucher holders have also been found to increase housing choice. The City could reduce permit fees for repairs or improvements and support programs that provide funding to cover security deposits and cost of damages and interest free loans for rehabilitation efforts.

Incentives for landlords to improve rental housing helps ensure that renter households have access to safe and decent housing, while also supporting landlords in maintaining a high-quality rental housing stock. In 2018, the Washington State Landlord Mitigation Law (RCW 43.31.605) became effective to provide landlords with an incentive and added security to work with tenants receiving rental assistance. The program offers such incentives as reimbursement for required move-in upgrades, up to 14 days' rent loss and reimbursement for damages caused by a tenant.

What are the reasons why some landlords do not accept HCVs? Some landlords think the voucher program is a hassle. They do not want inspections and they view or perceive voucher holders / participants as a high-risk factor. Even though voucher-assisted household pay a portion of the rent and HAP makes up the other portion, some landlords may not collect the tenant's share. If YHA ends up having to terminate housing assistance to a voucher participant, that does not mean necessarily that they are going to leave the unit. In those instances, the landlord is out of rent payments and they incur additional expenses through the eviction, if the tenant does not vacate their unit by the effective date of the housing assistance ending.

What is YHA's assessment of the strengths and weaknesses of the HCV program?

Strengths of YHA's voucher program include:

Good Voucher Utilization: YHA has a good track record of managing our voucher programs with the available HAP from HUD each year. In the especially challenging years 2020 and 2021, the higher of our voucher lease-up and/or HAP budget utilization rate has qualified us for the full 20 points for SEMAP. Despite our non-PBV annual turnover rate averaging 11% during difficult health and economic times, we have been able to achieve high rates in the lease-up/utilization category.

Voucher Success Rate: Amid challenges facing YHA and the residents, landlords and communities we serve, YHA currently has an average 83% voucher success rate.

Leasing Eligible Applicant Households in a Timely Manner: On average the amount of time from issuance of a voucher to an eligible household to the effective date of the lease and HAP contract is 1.4 months with YHA. We are proud that 80% of newly admitted households who are issued vouchers are able to use it by leasing under the voucher program within the first 30-days. This is a testament to the full range of YHA's policies, program procedures, payment standard setting, services as well as our communication, transparency and outreach with all affected parties. Among the remaining voucher holders who successfully lease, 7% lease in from 30 to 60 days, 8% lease from 60 to 90 days, 3% lease from 90 to 120 days and 2% lease from 120 to 150 days.

Controlling HAP Costs for Effectiveness and Efficiency: Currently, YHA is on track to have an annual average per voucher HAP cost of \$547.37 for calendar year 2021. Compared with YHA's annual average per voucher HAP cost of \$538.90 in calendar year 2020, the rate of increase would be just 1.57%. By comparison, YHA's HAP renewal funding inflation factor (RFIF) for FY 2021 is 4.28%.

Managing Voucher Program Within the Total Funds Available: Like previous years, YHA is set to end this year with HAP reserves well within HUD's offset threshold for PHAs of our size. We know how important it is for YHA to both stay within the available HAP resources available to us and at the same time, maximize these funds to help meet the voucher program's goals in our communities.

Admitting ELI Applicant Households: 88% of all applicant households admitted to our voucher programs are extremely low-income.

Program Affordability: Approximately 80% of all non-PBV assisted households are paying less than or equal to 30% of their monthly adjusted income towards their housing costs.

Household Demographics & Years of Participation to Date: 50% of voucher-assisted households are non-elderly/non-disabled and 50% are elderly or disabled. Overall, the average number of years households currently participating in YHA's voucher program is 6 years (excluding units leased special purpose vouchers, RAD-PBV households, and YHA-owned units

serving voucher holders). Currently: Non-elderly and non-disabled households' average number of years participating in YHA's voucher program is 4 years; non-elderly / disabled households' average number of years participating in YHA's voucher program is 7 years; Elderly households' average number of years participating in YHA's voucher program is 9 years. The above figures exclude units leased under special purpose voucher households, RAD-PBV households, and YHA-owned units serving voucher holders).

Program Integrity: Approximately 3% of all voucher-assisted households report \$0 adjusted income.

Weaknesses of YHA's voucher program include:

Increasing Landlord Participation & Housing Choice: Currently, YHA does not have all of the landlord partners that we could. Incentivizing landlords to participate in our voucher program through 4.2 - Front-end Vacancy Loss Payment and 4.1 - Waiver of Mandatory Initial Inspection, will help us increase landlord participation and create more housing choice for voucher holders.

Increasing Self-Sufficiency Rates and Serving More Unassisted Households: With high demand for affordable housing here in Yakima, it is important to YHA to serve as many unassisted households as possible. Currently, our non-PBV annual turnover rate averages 11% during difficult health and economic times. To go along with our existing practices, YHA's future implementation of FSS program with MTW flexibility activities, tiered rents, alternative reexamination schedule for households, and SAFMR-based payment standards, we believe that we will be able to assist more households to become self-sufficient. By doing so, we will be able to serve more unassisted households each year.

Refining Cost Effectiveness of HAP Expenditures: In the past, YHA has not received enough HAP funding to fully utilize the number of authorized vouchers. However, with the MTW expansion flexibility we have selected, including SAFMR-based payment standards, over time YHA plans to have more cost-effective programs both in terms of rent subsidy and administrative costs that will allow us to serve more households and better serve their needs.

Maximizing Voucher Lease-up Rates: Our community is destitute and desperately needs additional or incremental vouchers for as many folks as we can help. Through a combination of the Cohort 4 specific MTW waivers and activities, MTW Expansion Operations Notice activities that we have selected for future implementation, safe harbor waivers, agency-specific waivers, and our current and future non-MTW activities, YHA will be able to address the missing pieces and enable us to provide a more comprehensive approach to administering our voucher program. In doing so, we believe that we will be able to achieve a higher voucher lease-up rate all the way to 100%. If we can accomplish this important goal with the benefit of being selected for cohort

#4 and MTW expansion authority, YHA sees this as an opportunity for us to be awarded more vouchers in the future, so that we can better reach eligible unassisted applicant households.

(2) MTW Cohort #4 Activities

If selected, YHA will implement cohort 4.1 - waiver of mandatory initial inspection and cohort 4.2 - front-end vacancy loss payment. Through both cohort #4 specific measures, YHA's ability to retain and attract new landlords who want long-term tenants with low turnover would be improved through both of these activities. YHA would be positioned to overcome the perception that a Housing Authority may be a hassle with which to do business and help deal with landlords' perceived risk of having a voucher client.

We think that the answer to why we believe these measures will be effective, is answered by Congressional testimony representing the National Apartment Association / Multi-Housing Council regarding Section 8 reform legislation, when the legislative process first began.

On June 10, 2003, Andrew Showe testified regarding legislation to reform the Section 8 voucher program on behalf of National Multi Housing Council, National Apartment Association, and Columbus, Ohio Apartment Association, before the House Financial Services Committee's Subcommittee on Housing and Community Opportunity.

His testimony states, "Under current law, before an apartment is eligible for lease to a Section 8 voucher holder, the administering PHA must inspect that unit for compliance with HUD-prescribed HQS. 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. The other factor is we lose a lot of money trying to get the inspections scheduled for the individual apartment units...when in fact the family is ready to move in immediately. So not only do we lose but the voucher holder loses too because they are anxious to move in and find housing."

4.1 - Waiver of Mandatory Initial Inspection: The safe harbors under cohort 4.1 - waiver of mandatory initial inspection, are structured in a way that we believe are meaningful but measured. HUD's requirement that one of the three conditions must be met in order to eliminate the initial inspection, will result in opening up opportunities for a greater number of first-time and existing landlords to consider leasing under YHA's voucher program. In term of retaining greater percentages of existing landlords participating in our voucher program, the criteria that a unit must have passed an HQS inspection (or equivalent inspection) within the previous three years, will provide the right incentive for them. YHA's service area does not have a tremendous amount of affordable units that are less than five years old. Only 2.1% of all homes in Yakima were built since 2014. However, there a few non-profit developers that have built new units within that period who would also benefit from this cohort-specific activity. There are not many census tracts in our service area with poverty rates below 10%, but YHA will certainly educate and market property owners in these areas about the benefits of this option. In terms of HUD's measured approach, voucher participants will still be able to request an interim inspection for YHA's inspection and enforcement measures, if applicable.

4.2 - Front-end Vacancy Loss Payment: The statutes and regulations waived and safe harbors under cohort 4.2 front-end vacancy loss payment, will enable YHA to provide an important financial inducement for some first-time landlords' perceived risk of voucher holders / participants and for some existing and previous landlords that had a bad experience of a voucher participant leaving their unit without proper written notice or had their participation in the voucher program terminated by YHA for violation of their family obligations and/or a voucher-assisted household who was evicted through the court system but did not leave on time.

To incentivize a landlord's initial or continued participation in the HCV program, YHA would be able to make additional payments to the landlord in circumstances where the previous tenant was not an HCV participant. If selected under this MTW cohort, YHA's payments made to a landlord will be equal or lesser than one month of the contract rent, which will be made to the landlord when the next HAP contract is executed between them and our agency. YHA will update our Administrative Plan to reflect the vacancy loss policy.

If selected, YHA would combine 4.2 - Front-end Vacancy Loss Payment into one HCV leasing incentive with the following activities under HUD's MTW Operations Notice in our HCV tenant-based voucher program. This includes vacancy loss, damage claims, and other landlord incentives.

To incentive a landlord's continued participation in the HCV program, YHA may provide landlords with compensation. If the tenant 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. YHA will document the damages, which must be accepted by our agency. YHA may choose how aggressively to contest claims regarding tenant fault. The participant's security deposit will first be used to cover damages and YHA may provide up to two months of contract rent minus the security deposit to cover remaining repairs. YHA will make the payment to a landlord when the next HAP contract is executed between the owner and our agency. YHA will update its Administrative Plan to reflect the damage claim policy.

YHA may target incentive payments to landlords leasing properties in high opportunity neighborhoods or in areas located where vouchers are difficult to use as defined in our agency's Administrative Plan. Any such payments made to the landlord will be equal to no more than one month of the contract rent, and it will be made to the landlord when the HAP contract is executed between the owner and YHA.

(3) Other Landlord Incentives and Initiatives **MTW Operations Notice MTW Activities List**

If selected under HUD's MTW Cohort #4, YHA would focus our prioritized implementation of the cohort-specific activities in order to ensure that we meet all of the voucher program's goals

and then to implement the other activities and waivers identified in our application in a thoughtful and measured manner over time. YHA may adopt and implement:

2.a. Payment Standards – Small Area Fair Market Rents (SAFMR): YHA may establish payment standards between 80% and 150% of the SAFMR. YHA will adopt a hold harmless policy or a gradual phase-in, to limit reductions in payment standards, as reduced payment standards would likely discourage participation from certain landlords. To reiterate, YHA’s future use of this activity will have to be balanced with cost-effectiveness as many landlord incentives or higher payment standards that can provide more housing choice, are more expensive and we remain committed to serving as many households as possible.

5.a. Pre-Qualifying Unit Inspections: YHA currently performs pre-qualifying unit inspections using Housing Quality Standard (HQS) to accelerate the lease-up process and minimize the landlord’s lost revenue during a period of vacancy. YHA will ensure that the pre-inspection will happen within 90 days before the HCV participant begins occupancy of the unit.

5.d. Alternative Inspection Schedule: YHA plans to implement an alternative schedule for conducting HQS inspections. YHA will adopt a sound policy regarding the criterion under which qualifying units can be inspected less frequently but at least once every two or three years.

If selected, other activities in HUD’s MTW Expansion Operations Notice that YHA may plan to implement over the course our participation in the demonstration include:

- **Tenant Rent Policies**
 - Tiered Rent (Housing Choice Vouchers [HCV])
- **Payment Standards and Rent Reasonableness**
 - Alternative Reexamination Schedule for Households (HCV)
 - Self-Certification of Assets (HCV)
- **Project-Based Voucher Program Flexibilities**
 - Increase PBV Program Cap (HCV)
 - Increase PBV Project Cap (HCV)
 - Elimination of PBV Selection Process for PHA-Owned Projects Without
- **Improvement, Development, or Replacement (HCV)**
 - Increase PBV Housing Assistance Payment (HAP) Contract Length (HCV)
- **Family Self-Sufficiency Program with MTW Flexibility**
 - Alternative Structure for Establishing Program Coordinating Committee (PH & HCV)
 - Alternative Family Selection Procedures (PH & HCV)
 - Modify or Eliminate the Contract of Participation (PH & HCV)
 - Policies for Addressing Increases in Family Income (PH & HCV)
- **Local, Non-Traditional Activities**
 - Housing Development Programs