



NOTICE AND AGENDA

**Board of Commissioners
Special Meeting
Monday, January 4, 2021**



NOTICE

Spartanburg Housing will hold a special meeting of the Board of Commissioners at 4:00 P.M. on Monday, January 4, 2021. The meeting will be held via conference call.

Conference Dial-In Number: 1-929-205-6099; Meeting ID: 874 8824 1685; Password: 114650.

Link to meeting, if using a computer:

<https://us02web.zoom.us/j/87488241685?pwd=MVFRTHpTENBWVJJLOhtZ3JSUIVJdz09>

AGENDA

CALL MEETING TO ORDER

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A. 2021-01 Approve and Authorize Submission of the Moving to Work Plan and Application Package to the U.S. Department of Housing and Urban Development (HUD)3

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Action Item & Resolution 2021-01

**Approve and Authorize Submission of
the Moving to Work Plan and
Application Package to the U.S.
Department of Housing and Urban
Development (HUD)**

**Board of Commissioners
Special Meeting
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January 4, 2021

Spartanburg Housing

HONORABLE MEMBERS IN SESSION:

SUBJECT:

**Approve and Authorize Submission of the Moving to Work Plan and Application Package to the U.S. Department of Housing and Urban Development (HUD)
Resolution 2021-01**

RECOMMENDATION:

It is hereby recommended that the Board of Commissioners for Spartanburg Housing adopt Resolution No. 2021-01 approving the Spartanburg Housing Moving to Work (MTW) plan and application package and authorizing the CEO to submit the plan and application to the U.S. Department of Housing and Urban Development (HUD).

STAFF RESOURCE:

Shaunté Evans
Chief Executive Officer

BACKGROUND:

The Housing Authority of the City of Spartanburg, now referred to as Spartanburg Housing, is ranked among high performing agencies eligible to apply for the U. S. Department of Housing and Urban Development (HUD)'s Moving to Work (MTW) Demonstration Program. Spartanburg Housing submitted a letter of interest to participate in the Cohort #2 phase. If selected, Spartanburg Housing will evaluate implemented rent policies to increase resident self-sufficiency and reduce administrative burden. Through a vigorous assessment of our community needs, Spartanburg Housing developed a formally structured action plan, that would successfully implement the move to work demonstration program in the County of Spartanburg, SC.

Spartanburg Housing notified its residents and participants of the intent to participate in the MTW demonstration and requested the input from the public on the plan development through the following:

1. Written notification emailed to all public housing residents and Housing Choice Voucher (HCV) participants
2. Notification on the Spartanburg Housing website designated for all MTW updates: www.shasc.org/mtw

Meeting notices were sent to residents via email and posted to the Spartanburg Housing MTW website. Resident meetings were held via Zoom on Tuesday, October 20, 2020 and Thursday, November 5, 2020. All PowerPoint presentations are available on the Spartanburg Housing MTW website.

Spartanburg Housing advertised a public hearing notice in the Spartanburg Herald Journal on Sunday, November 15, 2020 posted notification on the organization's website. There were no residents, participants, or visitors in attendance for the public hearing. Therefore, no questions/answers are listed as none were received through the invitation for public comment.

SUMMARY:

The proposed initiatives and test rent policy for Spartanburg Housing's local MTW Program are outlined in Attachment A. Each initiative developed for our agency seeks to promote cost effectiveness from an administrative perspective, enhance self-sufficiency opportunities for our families, and aid in creating more housing choices for program participants. In addition, our reasoning for implementing each selected initiative is outlined, which contributes towards identifying and addressing the needs of our community. Spartanburg Housing selected MTW Test Rent #2: Stepped Rent. The initiatives and test rent policy were presented to the Board during the December 8th meeting.

FINANCIAL CONSIDERATIONS:

If Spartanburg Housing is selected as a MTW agency, we will be granted funding flexibility that will enable to make decisions and utilize our funds to best meet local need. We plan to use the funds in the following ways: 1) Leverage funding for developing or preserving affordable housing units, 2) Offset costs associated with research for the MTW program, 3) Implement workforce development and training, 4) Develop strategies related to addressing the Cliff Effect and Economic Mobility, 5) Provide supportive services, 6) Implement Landlord Incentives, 7) Increase Payment Standards, and 8) Non-traditional activities.

POLICY CONSIDERATIONS:

Adoption of these guidelines is required by PIH Notice 2020-21 for the agency to apply to Cohort #2 of the Moving to Work Expansion.

Attachment A

Overview of MTW Plan Initiatives and Test Rent Policy

Statutory Objective: Cost Effectiveness

Spartanburg Housing will focus on implementing initiatives that aid in reducing costs and achieving greater cost effectiveness.

Initiative 2021-1: Create an Alternative Utility Allowance Schedule (PH/HCV) HCV:

Spartanburg Housing will create a utility schedule(s) for all HCV units based upon bedroom size, the unit location and/or the types of utilities paid by participants. A site-based utility allowance will be established in PBV. **PH:** A utility schedule(s) will be administered for all units. Spartanburg Housing will follow all safe harbors related to this initiative to include reviewing allowances for a 10% change and not including items that are excluded from HUD regulations.

Initiative 2021-2: Modify Existing Deductions (PH/HCV): Existing deduction(s) will be replaced with a single standard deduction(s). Spartanburg Housing will follow all safe harbors related to this initiative to include conducting and impact analysis and implementing a hardship policy.

Initiative 2021-3: Alternative Inspection Schedule (HCV): A local inspection schedule will be established for all or a portion of HCV units. Spartanburg Housing will follow all safe harbors to include inspecting units at least once every three years and not altering the inspection standards.

Initiative 2021-4: Eliminate Utility Reimbursement Payments (PH/HCV): Utility reimbursement payments in the Public Housing/HCV programs will be eliminated when the utility allowance is greater than the total tenant payment. Residents receiving a utility reimbursement payment will be grandfathered in for a designated number of months. No new instances of Utility Reimbursement Payments will be allowed after identified timeframe or when a resident becomes employed, whichever occurs first.

Initiative 2021-5: Modify Rent Reasonableness (HCV): A local process to determine rent reasonableness will be developed that differs from the currently mandated program requirements. Spartanburg Housing will perform rent reasonable determinations on Project Based Voucher units that it owns, manages, and/or controls.

Initiative 2021-6: Modify the Reexamination Schedule (PH/HCV): A reexamination program that differs from the current reexamination program will be implemented to reflect the following: 1) Triennial recertifications will be completed for HCV and PH households where the head, co-head or spouse is elderly or over age 55 and disabled and the only source of income for the household is Social Security (SS) or Disability (SSI). 2) Wage earning families with 12 consecutive months of employment will recertify biannually. 3) Households who report zero income or are in between jobs will recertify annually.

Initiative 2021-7: Minimum Rent (PH/HCV): Spartanburg Housing will consider implementation of a gradual increase not to exceed \$125 per month. The agency will conduct an

impact analysis and implement a hardship policy.

Initiative 2021-8: HOS Third-Party Requirement (HCV): Spartanburg Housing will establish and make available a quality assurance method to ensure an objective analysis and implement all Safe Harbors.

Statutory Objective: Self-Sufficiency

Spartanburg Housing, in collaboration with our community partners, will support families as they move toward self-sufficiency.

Economic Mobility: Spartanburg Housing would like to use MTW flexibility to help address economic mobility. The families we serve often have the fewest opportunities to move up the economic ladder. We will work with our community partners to provide more targeted education and workforce preparation and collaborate to help people move out of low opportunity areas.

Cliff Effect: Spartanburg Housing will work with the United Way of the Piedmont, and other partners, to determine how to address the Cliff Effect which impacts many of the families we serve. United Way of the Piedmont's Financial Stability Taskforce has identified the cliff effect as one of the primary barriers to economic self-sufficiency in our community. The cliff effect occurs when a family begins to earn above the limits set by the state and becomes ineligible for subsidies on food, housing, childcare, and other benefits. However, the family's increased income from wages does not equal or exceed the loss in benefits, creating a significant gap in their basic needs budget.

Initiative 2021-9: Work Requirement: Spartanburg Housing will gradually implement a work requirement through employment, education, and job training totaling 15 hours per week.

Initiative 2021-10: Family Self Sufficiency (FSS): The agency will also include a MTW FSS program to encourage 5-year goals, escrow incentive, and supportive services. The agency will employ a case manager to assist with coordination of referrals, assessments, and services with identified community partners. If a participant is not employed, the case manager will specify the job training and job search activities the participant must undertake to meet programs work requirements. The program will remain a voluntary program in accordance with the FSS program and individuals not in compliance will be terminated from the program. The agency will change the escrow process based on income.

Initiative 2021-11: FSS Agreement: Spartanburg Housing currently operates a Family Self-Sufficiency program and will continue to operate as approved for the grant position. The MTW FSS will waive current contract of participation and create an internal agreement. The program will address and provide more incentives for low and moderate-income individuals who are often unable to escrow in our traditional program. This new escrow will allow more savings based on income to allow families an opportunity to be more self-sufficient.

Statutory Objective: Housing Choice

One of Spartanburg Housing's strategic priorities is to preserve and develop the housing portfolio. Our short-term goal is to develop 200 units by 2023. We will utilize the MTW funding flexibility to create more housing opportunities to meet our goal and aid in decreasing the affordable housing need in Spartanburg. In addition, we plan to implement initiatives that will expand housing opportunities for families.

Initiative 2021-12: Local, Non-Traditional Activities-Housing Development Programs: The agency will establish programs that use MTW Funding to acquire, renovate and/or build affordable units for low-income families that are not public housing units. Spartanburg Housing will follow all safe harbors related to this initiative.

Initiative 2021-13: Landlord Incentives (HCV-Tenant-Based Assistance): Landlords may be eligible to receive a one-time monetary incentive upon the execution of a contract for new units. Leasing incentives are implemented to strengthen the partnership with community landlords and promote housing choices for program participants. Agencies 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 an agency's Administrative Plan. Spartanburg Housing will follow all safe harbors related to this initiative to include not making payments that exceed one month of contract rent.

Initiative 2021-14: Initial Rent Burden (HCV): To increase housing options for families, the agency will consider modifying the existing 40% initial rent burden income cap for the HCV voucher program, allowing an increase of 45% to 50%.

Spartanburg County overall is a high-cost rental market, and specifically in opportunity areas. The rent and utilities are often more than the established payment standards. This activity allows Housing Choice Voucher Program participants, when entering a new lease with a new landlord, the option to pay more than a higher percentage of their adjusted income on rent and utilities. This may help participants, especially those that decide to move because of the proposed program changes, with the option to pay more for a unit than what was previously allowed and the ability to find housing in areas of de-concentration.

Spartanburg Housing will follow all safe harbors related to this initiative to include not allowing the family share at initial occupancy to exceed 60% of the family's monthly income.

Initiative 2021-15: Payment Standard Increase: The agency may establish a payment standard up to 120% of the FMR to help move families to areas of higher opportunity. Spartanburg Housing will follow all safe harbors related to this initiative to include implementing an impact analysis and implementing a hardship policy. Establishing the PMS at 120% will allow the families to locate housing in the more desirable areas of Spartanburg County.

MTW Test Rent #2: Stepped Rent

Spartanburg Housing will implement MTW Test Rent #2 and will establish a stepped rent schedule over the six-year test study period. The rent for each step is set as 4% of the Fair Market Rent (FMR), adjusted by number of bedrooms. See Table 3 for the proposed schedule with 2021 FMR for each unit size. After year one, each household automatically advances to the next step on an annual basis. Income reexaminations occur every three years to verify eligibility.

Rents are increased annually (or, in the HCV program, the participant contribution increased) according to a fixed schedule of 4% of Fair Market Rent (FMR) by bedroom size. These increases are unrelated to the income of the assisted household.

By selecting the higher percentage of the stepped rent structure families will be placed at the higher

schedule to promote growth and early rental payment responsibility. Spartanburg Housing may choose to review and update the size of the increase according to the most recent FMRs if it is determined that the rent increases are not large enough to maintain budget-neutrality. However, our initial rent reform structure aligns with our agency’s vision and mission, which focuses heavily on promoting self-sufficiency among residents.

Table 3

Stepped Rent: 4% 2021 Fair Market Rent							
Step	%FMR	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
		\$695	\$735	\$845	\$1,113	\$1,163	\$1,337
1	4%	\$27.80	\$29.40	\$33.80	\$44.52	\$46.52	\$53.48
2	8%	\$55.60	\$58.80	\$67.60	\$89.04	\$93.04	\$106.96
3	16%	\$111.20	\$117.60	\$135.20	\$178.08	\$186.08	\$213.92
4	20%	\$139.00	\$147.00	\$169.00	\$222.60	\$232.60	\$267.40
5	24%	\$166.80	\$176.40	\$202.80	\$267.12	\$279.12	\$320.88
6	28%	\$194.60	\$205.80	\$236.60	\$311.64	\$325.64	\$374.36

**BOARD OF COMMISSIONERS FOR
SPARTANBURG HOUSING**

RESOLUTION NO. 2021-01

**APPROVE AND AUTHORIZE SUBMISSION OF THE MOVING TO WORK PLAN AND
APPLICATION PACKAGE TO THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

WHEREAS, Moving to Work (MTW) is a demonstration program authorized by Congress and implemented by the U.S. Department of Housing and Urban Development (HUD);

WHEREAS, the Board of Commissioners for Spartanburg Housing approved Resolution 2019-14 authorizing submission of a letter of interest and package under the Moving to Work (MTW) Demonstration Program for the agency to obtain MTW designation under the second (#2) cohort of the MTW expansion;

WHEREAS, Spartanburg Housing was notified on December 3, 2019 of its eligibility for Cohort #2 and deemed eligible to submit an application;

WHEREAS, on August 28, 2020, U.S. Department of Housing and Urban Development (HUD) notified Spartanburg Housing of its invitation to submit an MTW Plan and Application under MTW Test Rent #1 or MTW Test Rent #2 of Public and Indian Housing (PIH) Notice 2020-21 by January 8, 2021;

WHEREAS, Spartanburg Housing selected an alternative rent policy-MTW Test Rent #2: Stepped Rent;

WHEREAS, Spartanburg Housing developed the MTW Plan and application package in a manner that is responsive to the requirements set forth in the PIH Notice; and

WHEREAS, Spartanburg Housing notified public housing residents and HCV participants of intention to participate in the MTW Demonstration program and executed a public process including multiple opportunities for the public and resident input regarding the Plan components, including two (2) resident/participant meetings, a public inspection period for at least 30 days, presentation to Spartanburg City Council, and a Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners for Spartanburg Housing approves the Spartanburg Housing Moving to Work plan and application package and authorizes the CEO to submit the plan and application package to HUD.

RECORDING OFFICER'S CERTIFICATION

I, Matthew Myers, the duly appointed Chairman of the Board, do hereby certify that this resolution was properly adopted at a duly noticed meeting of the Board of Commissioners for Spartanburg Housing held on January 4, 2021.

Matthew Myers, Chair

ATTEST:

Secretary

FOR CLERK USE ONLY
RESOLUTION NO. 2021-01
DATE ADOPTED: January 04, 2021