

ROCKFORD HOUSING AUTHORITY
(IL022)
MOVING TO WORK, COHORT #4
DRAFT PLAN

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Moving to Work, Cohort # 4

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Twenty-five years ago, Congress authorized HUD to establish the Moving to Work (MTW) Program whereby selected Public Housing Authorities would be allowed, in coordination with HUD, to design and test administrative and budgetary innovations. The idea was to test innovations out in a few locations. If proven effective, expand the innovations to additional locations or potentially to more than 3,000 Public Housing Authorities (PHAs) functioning across the entire Country.

Initially, 80 agencies were designated as MTW PHAs. This has allowed them more regulatory flexibility and more local budget control to try out local innovations.

Five years ago, the MTW Program was expanded to allow other local PHAs to apply and be designated as MTW agencies and test specific types of innovations that HUD named "Cohorts." This expansion was intended to increase MTW PHAs nationally by an additional 59 PHAs by 2022.

On January 7, 2021, HUD Issued NOTICE PIH 2021-03: Request for Applications under the Moving to Work Demonstration Program for the Fiscal Year 2021: COHORT #4 – Landlord Incentives. Under Cohort #4, interested. With this Cohort, HUD created a listing of seven incentives for evaluation. PHAs are required to pick two of the following:

1. Expanded Payment Standards between 80% and 150% in Small Area Fair Market Rents (SAFMR);
2. Expanded Payment Standards between 80% and 120% in Fair Market Rents (FMR);
3. Vacancy Loss, such that the PHA could pay a landlord up to one-month contract rents between HCV participants;
4. Damage Claims, whereby a PHA could pay a landlord reimbursement for tenant-caused damages after accounting for any security deposit;

5. Other Landlord Incentives, such as incentivizing new landlords to participate in the HCV Program with a one-month contract rent;
6. Conducting Pre-Qualifying Unit Inspections to accelerate the lease-up process; or
7. Alternative Inspection Schedule: Inspecting units up one time every three years instead of every year.

The Rockford Housing Authority (RHA) is applying for MTW status under Cohort #4. The RHA is remarkably well qualified to apply for MTW Cohort #4. The Rockford Housing Authority has invested heavily in its relationship with landlords throughout its service area. In its application to HUD, the RHA will focus on 1. Payment Standards—Fair Market Rents and 2. Damage Claims, which provides the RHA with the opportunity to be responsive to one of the most significant concerns of landlords. Along with these activities, in coordination with HUD, the RHA will be seeking to develop other activities in support of landlords, including Streamlining Operations through Technology, Education and Outreach to Landlords, and enhanced communication.

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INTRODUCTION

The Rockford Housing Authority (RHA) has been working for the community for over 65 years. We have gotten to know and experience the community and its needs. As a landlord, property manager, voucher administrator, and real estate developer, RHA is a key player in providing, preserving, and producing affordable housing in the Rockford Community.

In cooperation with our external partners and stakeholders, RHA provides high-quality, caring, effective, and efficient services for all residents according to need and eligibility. Our priorities include treating everyone with dignity and respect, enhancing self-reliance, protecting the vulnerable, and promoting healthy families, relationships, and lifestyles. Our programming and community are committed to excellence in education on preparing our residents with the awareness, knowledge, and skills necessary to become self-sufficient.

With the flexibility allowed through an MTW designation, RHA can be the driving force of holistic change for the Rockford community. Creating additional decent, safe, and affordable housing creates education, job training, employment, and homeownership opportunities.

Moving to Work Demonstration Program

Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that

use federal dollars more efficiently, help residents find employment, and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility for the use of Federal funds. PHAs in the MTW demonstration has pioneered several innovative policy interventions that have been proven to be successful at the local level and subsequently rolled out to the rest of the Country's PHAs. Currently, there are 80 MTW PHAs nationwide, and HUD plans to expand the program to an additional 59 PHAs by 2022.

MTW Expansion Information

HUD's use of the MTW Expansion opportunity has so far consisted of the following actions. In January 2021, HUD selected the first 31 agencies to join the Moving to Work (MTW) Demonstration program through the MTW Flexibilities for Smaller PHAs Cohort of the MTW Expansion. Through this cohort, HUD will evaluate the overall impact of MTW flexibilities on PHAs with less than 1,000 units. In May 2021, HUD selected an additional ten agencies to join the Stepped and Tiered Rent Cohort of the MTW Expansion. This cohort of the MTW Expansion will evaluate stepped and tiered rent policies. MTW is critical in moving away from a "one-size-fits-all" approach to affordable housing and allowing communities to address the distinct issues they face effectively. The locally tailored policies adopted by current and future MTW agencies will solve the challenges faced by all PHAs, mainly through their ability to work with and educate inform HUD on "what works" in housing.

HUD understands the importance of thinking outside the box, focusing on best practices, and providing creative housing solutions for those serving the most vulnerable by allowing agencies to merge their funding streams and innovative design policies. The essential lesson HUD has learned from MTW is that local agencies and their stakeholders are best positioned to assess the

needs and challenges of their communities and rental markets. Local leaders must have the flexibility to utilize and leverage their strengths, resources, and partnerships in a way that best serves their communities.

The fundamental principles for the expansion are to: simplify, learn, and apply. The vision for the MTW expansion is to learn from MTW interventions to improve the delivery of federally assisted housing and promote self-sufficiency for low-income families across the nation. To do this, HUD has developed a program delivery model that simplifies and streamlines HUD oversight and provides flexibility to high-performing PHAs in the delivery of housing services.

MTW Cohort #4

MTW Cohort #4 is an exceedingly important matter for studying HUD and housing in the United States. Since 2009, the Housing Choice Voucher Program (HCVP) has lost approximately 110,000 landlords from the Program—about 10,000 landlords on average per year (North, D. C. (1990). *Institutions, institutional change, and economic performance*. Cambridge University Press.).

Meanwhile, the need for Housing Choice Vouchers (HCVs) and eligible participants keeps increasing. Consequently, Tenants qualifying for HCVs are finding that their options for housing are increasingly restricted and often pushed toward living in areas of poverty.

It is incumbent on HUD to find a solution whereby the decreasing number of landlords is reversed to support more and better housing options for qualifying tenants. One of HUD's strategies for accomplishing this is through the MTW Cohort #4. Landlord Incentives are tested to determine which alternatives work most effectively in attracting and keeping landlords participating in the HCVP.

Rockford Housing Authority and MTW Cohort #4

In implementing MTW Cohort #4, the Rockford Housing Authority will apply HUD's critical principles for expanding to simplify, learn, and use. As with all other PHAs, RHA has had to operate in an environment where intervening and having the resources to work effectively with landlords has been nebulous. Working with HUD, its MTW advisers, and HUD's assigned Technical Assistance experts, the RHA will establish an ideal environment to encourage and support landlords to partner with the RHA and its residents for greater housing opportunities within more desirable areas.

Rockford Housing Authority brings a unique and comprehensive perspective to the table. The RHA has built solid relationships with its residents in HCV leased housing, its applicants, and its landlords. Their resident programming brings more significant overall opportunities to their participants by providing education, job training, and job placement.

Utilizing MTW designation and focusing on the two incentives selected, RHA will 1) provide increased Fair market rents to participating landlords to encourage those who own properties within "opportunity areas" to participate in the HCV program—doing so, giving HCV program residents greater access to health care, education, and jobs. These opportunity areas, combined with our resident programming, and our Jobs Plus Initiative, will be provided more significant opportunities for self-sufficiency. 2) Understanding the monetary impact that Damage claims have on landlords, and their willingness to participate in HCV programs; implementing a damage claim incentive, not to exceed one month's rent, strengthens the relationship between the housing authority and the Landlord and solidifies the housing authorities commitment to the Landlord and our community.

MTW Cohort #4 Selection Process

PHAs interested in the fourth cohort of the MTW Expansion must submit an MTW Plan and application package to HUD under this notice by the submission deadline of October 15, 2021. HUD will screen each MTW Plan and application package received to verify eligibility according to the date and requirements in this notice. HUD will then assess all eligible MTW Plans and application packages for completeness.

A lottery of all eligible and complete MTW Plans and application packages will be conducted to determine which PHAs will be selected and offered MTW designation under the fourth cohort of the MTW Expansion. Following the lottery process, HUD will notify all applicants of the outcome of the lottery. After HUD has made selections, if a selected applicant PHA declines to participate in the fourth cohort of the MTW Expansion, HUD may choose randomly another eligible and complete MTW Plan and application package.

Selection does not constitute formal entry into the MTW Demonstration Program. Selected PHAs may not flexibly use Section 8 and Section 9 funding or invoke any MTW flexibility before formal entry into the MTW Demonstration Program. This will not occur until an MTW Amendment to the Annual Contributions Contract (ACC), both HUD and the PHA execute 7 detailing MTW participation, and any other requirements within the MTW Operations Notice are met.

Non-selection under this fourth cohort will not preclude PHAs from applying for a future cohort under the MTW Expansion and receiving MTW designation, provided the PHA is eligible under the terms of the selection notice for that future cohort. However, any PHA that is not selected for the fourth cohort of the MTW Expansion and is selected for a subsequent cohort of the MTW Expansion, may not implement MTW activities on the Cohort #4 MTW Activities List for the duration of the fourth cohort evaluation.

Depending on the number of applications received, the size of the PHAs, the geographic regions represented, and prevalence of RAD participation, HUD may adjust the lottery procedures to account for these factors. HUD will consider the location of current MTW PHAs in assessing geographic diversity.

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Part I: MTW PLAN

a. Vision for the Local MTW Program

The RHA seeks to establish and constantly explore new opportunities to partner with other communities and agencies to expand additional affordable housing opportunities for low-income, elderly, non-elderly disabled, homeless, veteran, and family populations.

The RHA will use the additional resources and regulatory and budget flexibility with MTW status to improve further the HCV Program, including facilitating landlord involvement. In addition, the RHA will continue its efforts to develop much-needed housing in Rockford for low-income, elderly, non-elderly disabled, homeless, veteran, and family populations.

Rockford Housing Authority seeks to manage and operate an effective Housing Choice Voucher Program that provides the benefit of better housing options to its qualified HCV residents. To accomplish this, Rockford Housing Authority is making substantial efforts to improve technology, customer service, and communication with HCV landlords and residents to enhance opportunities for each.

Rockford Housing Authority is applying to HUD for selection as a MTW Cohort #4 Housing Authority in support of this. Rockford Housing Authority is unquestionably positioned to work very effectively with HUD in this endeavor to ensure the best overall outcome

As an MTW Cohort #4 Housing Authority, the Rockford Housing Authority, in coordination with HUD, will continue to enact policies and procedures that will build strong relationships with local landlords that will be cost-effective, provide quality housing choices for qualifying HCV tenants, and support tenants and their families in achieving self-sufficiency.

The Rockford Housing Authority Team to Support MTW Cohort #4 Implementation

As already indicated, Rockford Housing Authority has assembled an outstanding team ideally suited to working with HUD to test Landlord Incentives in the HUD MTW Cohort #4 Program.

The RHA implementation of the Moving to Work, Cohort # 4 will be lead by the following team members:

Karen Hoffman, Chairman, Board of Commissioners, Rockford Housing Authority

Chairman Karen Hoffman has resided in Rockford, Illinois, since 1957. She graduated from East High School in 1965. She then attended Rock Valley College, where she earned two degrees, an A.A.S in Human Services and an A.S degree with an emphasis on business. She pursued a Bachelor's Degree at Western University through the Regional Academic Center in Rockford during her working career.

Mrs. Hoffman's early business experience was in banking and managing a sizeable affordable housing development on the east side and other rental properties. In 1979, she began working for the Winnebago Department of Human Services (formerly known as Public Aid) as a caseworker for family cases and all related refugee programs. In 1990, she was appointed as

Administrator of the Boone County Department of Public Aid. During her tenure, she increased minority employees from 10% to almost 30% in that office. In her pursuit to diversify the Department, she hired the first African-American in the history of that office, who eventually not only became the Administrator of Boone County but went on to become the Administrator of two extensive downstate facilities.

In 1997, Mrs. Hoffman returned to Winnebago County after also serving in the Elgin office. She became responsible for moving 4,000 local families from receiving Aid to Dependent Children to Self-Sufficiency.

Because of her interactions with both her clients and community organizations, Mrs. Hoffman became a community activist. In 2005, she was elected to the Winnebago County Board, where she served until 2010.

In 2012, Mrs. Hoffman became a member of AAUW (American Association of University Women), a group that actively works and lobbies for increased civil rights for women.

In July of 2014, Mrs. Hoffman was appointed to serve on a CLI committee (Community Leadership Institute). The CLI group has focused on establishing good neighborly relationships and developed a program and video. The video is currently being shown in various community meetings.

Mrs. Hoffman also serves on the Rockford Neighborhood Network Board.

"Although I am now retired from State employment, I believe that since the people of my community invested over the years in training me and preparing me to serve, I have an obligation to use the knowledge and resources that I have received for the betterment of the area in which I live."

Mr. Jeffrey DiBenedetto, Vice Chairman, Board of Commissioners, Rockford Housing Authority

Jeffrey DiBenedetto has lived in Rockford all his life. He is a graduate of Boylan Catholic High School and Northern Illinois University. At NIU, he studied at the College of Business and earned a Bachelor of Science in marketing.

Jeff is Executive Vice President of DiBenedetto & Associates, Ltd., a boutique wealth management firm in Loves Park, IL. He currently serves on the Rosecrance Health Network board of directors, the most recent past Chairman. Jeff also serves on the Rosecrance Foundation board of directors, the Rockford Country Club board of directors, the Boys and Girls Club of Rockford board of directors, and as Chairman of the Boys and Girls Club of Rockford Foundation. Jeff is married and has two children.

Ms. Laura Snyder, Chief Executive Officer, Rockford Housing Authority

Laura Snyder-CEO is responsible for the financial, operational, and development success of the RHA. With over 23 years of experience with Public Housing, Laura is responsible for a housing portfolio of \$4 million in assets and serving over 3,200 families: a \$25 million annual operating budget and over 60 employees. Serving as the CEO of RHA's nonprofit instrumentality, Bridge Rockford, she has crafted and implemented a redevelopment plan that will bring quality affordable housing to the community over the next ten years.

Laura has been a valued member of the RHA Directors and Leadership team. Formerly the Director of Housing Operations for the RHA, she was responsible for leading the Housing Choice Voucher, Public Housing, and Maintenance teams to peak performance and for developing and implement initiatives to improve program integrity within the RHA's HCV and Public Housing programs.

Mr. Owen Carter, Director of Housing Operations

Owen Carter joins RHA as the Director of Housing Operations. He was born and raised in Rockford, IL, and attended Thomas Jefferson High School, after which he enlisted in the United States Navy.

He served in the U.S. Navy for ten years in several theaters of operation, including Kosovo and Iraq. While serving his Country, Owen received his Associate's degree from Rock Valley College and a Bachelor's degree in Political Science: Public Law from Northern Illinois University.

Owen returned to Rockford and began working on several political campaigns and networking with those employed and who served in the social service field. In 2000, Owen started employment with Icon Property Management and Development Group, where he oversaw the rehabilitation and management of numerous historic homes and properties within our fair city.

Shortly after, Owen began employment with the Rockford Housing Authority serving as the Property Manager at several sites throughout Rockford. In November 2008, he accepted the City of Rockford Human Services Department – A Community Action Agency, as the Community Action Coordinator, later as the Energy Programs Manager serving Boone and Winnebago Counties, where he received his Certified Community Action Professional. Owen also received his Certified Public Manager certification from the University of Illinois at Springfield. Working within the Community Action Agency, Owen and his staff were able to use various state and federal grant funds to assist those in need at different stages in life, through maximum participation, to move toward self-sufficiency.

Ms. Erin Woosley, Redevelopment Coordinator

Erin Woosley joined Rockford Housing Authority in July of 2015 and currently serves as the Redevelopment Coordinator. As a Redevelopment Coordinator, Erin engages with the Community, Rockford City staff, and RHA residents to discuss economic and housing development proposals and strategies for acceptance on current projects. In her role, Erin also identifies and acquires at-risk homes in the Rockford region opportunity zones with the intention and vision to return these homes to productive use for community residents.

Erin was born and raised in Belvidere, IL and where she currently resides with her family. Before joining RHA, Erin served as a Tenant Service Coordinator for a Real Estate Agency in Chicago for five years before relocating home to be closer to family.

Ms. Sybil Mueller, HCV Program Manager

Sybil Mueller is the Housing Choice Voucher Manager for Rockford Housing Authority and its nonprofit Bridge Rockford Alliance.

Before coming to RHA, she was an Aviation Maintenance Administrationman responsible for policy and procedure updates needed to complete her squadron's military missions successfully.

After being honorably discharged from the United States Navy, she attended Northern Illinois University, where she received her bachelor's in Marketing. Sybil brings management experience and a wealth of knowledge and expertise in government policies and procedures.

Ms. Rosalind Gulley, Lead Occupancy Specialist

Rosalind Gulley is the Lead Occupancy Specialist for Rockford Housing Authority. Rosalind has served in several classifications working in the Low Income Public Housing and Housing Choice Voucher (HCV) departments during her time here. She was selected to serve as the Lead Occupancy Specialist with our HCV department in 2019. She provides training and acts as the

primary point of contact for day-to-day operations to assist her peers and better serve the clients and landlords participating in the various HCV programs.

Rosalind was born and raised in Rockford, where she currently resides with her family. She has over 30 years of experience in sales and customer service. She enjoys that her position with the Rockford Housing Authority allows her to serve the community, and everyday looks forwards to working with the clients and landlords she loves

Ms. Christine Manley, Policy, Compliance, and Security Systems Manager

Christine Manley has joined the RHA team as the Policy, Compliance, and Security Systems Manager. With a bachelor's in psychology and sociology from Rockford University, she joined the Rockford Housing Authority with over ten years of experience in human services. She worked with Carpenter's Place, coordinating HUD-funded programs that provided housing and supportive services to Rockford's homeless population. Most recently, Christine served as an Occupancy Specialist for the Rockford Housing Authority, Housing Choice Voucher Program.

She looks forward to being part of RHA's excellent team of caring professionals dedicated to the betterment of this community.

Ms. Michaela Harris, Section III Compliance Manager

Michaela Harris has joined RHA as the Section III Compliance Manager. She comes with 15 years of experience in community service, management, and customer service. Before RHA, she was in private property management and developed several programs that helped build and track the success of a locally owned company.

Since her youth, she has spent time volunteering in the community with Rock House Kids, where she taught and mentored elementary-aged children. She brings a background in service and heart for the community as she joins the excellent team at RHA.

Mr. Taip Asani, Director of Finance

Taip Asani returns at Rockford Housing Authority to serve as the Director of Finance. He oversees all aspects of accounting, including forecasting, budgeting, preparation of financial statements, and reporting to RHA's board and HUD.

Taip is a graduate of Northern Illinois University with a bachelor's degree in Accounting. Before assuming this role, he worked as an Accountant for the Rockford Housing Authority from December 2013 to September 2017.

b. Plan for Future Community/Resident Engagement

The Rockford Housing Authority will continue to engage assisted households in its low-income and affordable housing programs and the broader community and stakeholders in the implementation and development of its local MTW program.

As Rockford Housing Authority does in all its programs, as an MTW Cohort # 4 designee, Rockford Housing Authority will continue with its entire engagement efforts with the local community, including outreach to racial and ethnic minorities, persons with limited English proficiency, persons with disabilities, families with children and groups representing such persons.

In addition, Rockford Housing Authority will work closely with landlords to build HCV opportunities for HCV residents.

c. PHA Operating and Inventory Information

- d. RHA is continuing to identify opportunities to improve the quality of housing inventory available to low-income families and provide opportunities for homeownership to Public Housing residents. RHA continues to update its long-range plan to address the redevelopment and modernization needs of its Public Housing sites. During FY2021 and moving forward, RHA will continue to review and study various funding alternatives and redevelopment opportunities.
- e. The ability to move forward on these plans depends on various factors, including economic conditions and the availability of financing. Funding will be sought through several sources including, but not limited to, Choice Neighborhood Initiatives (CNI) or similar federal grants designed to revitalize obsolete public housing sites, Low Income Housing Tax Credits, Historic Tax Credits, New Market Tax Credits, Tax-Exempt Bonds, FHA Financing, and private financing.
- f. RHA is considering disposition/demolition applications for various sites based on a thoughtful process of assessing viable planning projects. It is anticipated that we will be ready to submit an application for our Fairgrounds Valley development in January of 2021. However, demolition timetables and the list of disposition/demolition candidate properties will be determined as planning and development evolve. Efforts will be led by our Construction Manager, who is equipped with 35 years of experience in maintenance and construction.

Section 8 Housing Choice Voucher Program

Under the leadership of Mrs. Sybil Mueller, HCV Manager and employee of RHA since 2009, the HCV program has received a High Performer SEMAP score for the past six years.

In collaboration with Ms. Christine Manley, Housing Policy Manager, our HCV team manages and supports more than 1700 voucher holders and 700 landlords.

Public Housing

Under the leadership of Mr. Owen Carter, Director of Housing Operations, RHA serves more than 1200 families within our Low-Income Public Housing Program. We recently partnered with RHA human services staff to relocate more than 170 elderly and disabled residents upon a thriving section 18 application for a 418-unit twin-tower development.

Other Housing Initiatives

RHA recently received a Jobs Plus grant to support our robust Human Services programs. Under the leadership of Mrs. Odessa Walker, RHA has partnered with 53 local agencies to provide education, job training, and job placement services to all LIPH participants. In addition, Ms. Walker is the author of RHA's award-winning Life Force Development Institute (LDI) curriculum. Along with this curriculum, LDI provides a 12-week intense training course that focuses on Job/Career readiness and soft skills.

g. Plan for Local MTW Program

Rockford Housing Authority's MTW Cohort #4 Landlord Outreach has taken place in the context of what the Housing Authority has systematically done over the years to make things work effectively with landlords. For instance, Rockford Housing Authority's 10th Annual Landlord Orientation occurred amid the Housing Authority's Cohort #4 Activities, so these activities associated with this Application were not the exception. They were the rule.

In addition to the two HUD-identified activities as approved, based on experience, the RHA will continue to implement improvements to its landlord relations, including Streamlining Operations through Technology, Education and Outreach to Landlords, and Communication.

To facilitate technological solutions, better customer service, and better communications, Rockford Housing Authority is implementing additional strategies.

Specific initiatives to date include:

- Ensuring a housing software system that supports the HCV program and the MTW Cohort #4 initiative
- Established a Landlord Portal providing access to all forms and documents
- Direct Deposits with payments cut three times per month
- Real-time inspections
- Tenants move in the same day
- Security Deposit Payments for voucher holders who cannot afford to pay the required amount
- Established Landlord Advisory Committee
- Pictures of Units and amenities
- Landlord of the Year Award

h. Proposed Use of MTW Funds

Rockford Housing Authority will use all resources and, where appropriate, fungibility to enhance housing and program opportunities for its residents and use the MTW Cohort #4 status to

provide top-level housing resources in coordination with an expanded and satisfied array of landlords.

Rockford Housing Authority will work with HUD-identified Technical Assistance contractors to determine the best strategy regarding Waivers and Safe Harbors. Along with the Waivers required in tandem with the activities Rockford Housing Authority ends up selecting,

The fourth cohort of the MTW Expansion will evaluate landlord incentives and their effect on landlord participation in the HCV program. HUD identified seven MTW activities in the MTW Operations Notice that can act as landlord incentives. In addition, two Cohort Specific MTW Waivers and associated activities are available for PHAs participating in the fourth cohort.

Together, these MTW Operations Notice and Cohort Specific MTW Waivers and related activities are referred to as the "Cohort #4 MTW Activities List." PHAs in the fourth cohort of the MTW Expansion must implement at least two activities from the Cohort #4 MTW Activities List. The Cohort #4 MTW Activities List can be found in Section 3 of this Notice.

In addition, just as the RHA does presently, the RHA will use its resources to create and preserve affordable housing, positively impacting the number of homeless families in Rockford and creating avenues for self-sufficiency for all low-income families in the County.

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Part II: MTW PLAN

a. Landlord Initiatives and Needs Assessment Survey

The Rockford Housing Authority has invested heavily in its relationship with landlords throughout its service area. Along with a Landlord Meeting, the RHA has:

- Conducted Listening Sessions with Landlords to hear and understand their concerns;
- Interviewed individual landlords;
- Upgraded communications with a dedicated portal;
- Provides a periodic newsletter to landlords to keep them informed about HUD, regulatory changes in the Housing Choice Voucher Program, and tells them of RHA events and activities;
- Provides targeted training for landlords; and
- Has implemented direct deposit.
- (Please add any others that apply.)

The close and productive relationship with landlords has come through in this MTW Cohort #4 Application process. When this initiative was announced and explained in the Landlord meeting, there was clear excitement among the landlords that HUD and RHA were taking their concerns seriously. This has come through clearly in the landlord surveys that the RHA has administered in conjunction with this Application.

Discussion of Landlord Survey Results

First, landlord responses to the survey were highly respectful and positive, indicating a generally good relationship between the RHA staff and landlords.

Question 1: Are you presently renting one or more units to Housing Choice Voucher/Section 8 tenants? 87.5% of the landlord respondents said yes.

Question 2: HUD has specified the seven following landlord incentives as options to be studied in MTW Cohort 4. Please review these options and mark the two that would be most appealing to you regarding your participation in the HCV/Section 8 Program:

- a. Payment Standards—Small Area Fair Market Rents allowed to range from 80% to 150%.
- b. Payment Standards—Fair Market Rents allowed to range from 80% to 120%.
- c. Vacancy Loss: PHAs may pay landlords up to one month's reimbursement for unit vacancies between HCV participants.
- d. Damage Claims: PHAs may reimburse landlords for unit damages.
- e. Other Landlord Incentives: PHAs may pay landlords a signing bonus of up to one month's rent to join the HCV Program.
- f. Pre-Qualifying Unit Inspections: Pre-inspections for faster lease-up.
- g. Alternate Inspection Schedule: Inspections once every three years.

Please indicate the letter of two options from HUD specified above that you most prefer.

Landlord responses were as follows:

- a. Increased SAFMR rent ranges were selected by 25% of the landlords;
- b. Increased FMR rent ranges were selected by 37.5% of the landlords;

- c. One Month Vacancy Loss reimbursements between HCV participants was selected by 37.5% of the landlords;
- d. Reimbursement of landlords for unit damages was selected by 75% of the landlords;
- e. Other Incentives such as Signing Bonuses for new landlords was selected by 0% of the landlords;
- f. Pre-Qualifying Unit Inspections was selected by only 0% of the landlords; and
- g. Alternate Inspection Schedules were selected by 12.5% of the landlords.

The three options most preferred by the landlords who responded were: 1—reimbursement of landlords for unit damages at 75%; 2. Increased FMR rent ranges at 37.5%; and 3. Month Vacancy Loss reimbursements are at 37.5%, so the Landlord's responses are very much in line with the RHA's plans in applying for MTW Cohort #4 Activities.

Question 3: Landlords were asked: Are there other landlord incentives not listed above that you would like to suggest?

There were the following responses:

- A Guarantee that the program would make the tenant accountable for their actions
- Tenant accountability for damages and keeping the outside clean
- If cleanliness were part of the inspections, I would love it.
- I would be willing to serve on a committee if it would help

Question 4: Are you currently experiencing any difficulties participating in the HCV program?

50% of the landlord respondents said yes, and 50% said no.

Question 5: Would you like to share details about those difficulties with the Housing Authority?

- Unreported leaks and running toilets. \$300-\$400 water bills
- Grease on stove and walls

Question 6: Do you have questions about this program that the Housing Authority is applying for?

Landlords did not respond that they had questions about the MTW Cohort #4 Program, but 75% left their name and phone number or e-mail address for more information. This rate of sharing this type of information with the Housing Authority is indicative of a highly trusting environment in which landlords do not appear to be concerned about retaliation based on comments.

(Assessment by Ian Tink, MTW Cohort #4 Consultant.)

b. HUD-Assigned MTW Cohort #4 Activities

The activities that HUD has selected to test in Cohort #4 are the following. They are categorized in keeping with the HUD Announcement (PIH Notice 2021-3) for clarity with reference to the categories assigned by HUD.

2.a. Payment Standards – Small Area Fair Market Rents (SAFMR): The PHA may establish payment standards between 80% and 150% of the SAFMR. Without this MTW activity, the range would be constrained between 90% and 110% of the SAFMR, so MTW PHAs have greater leeway, especially to set payment standards above the SAFMR. PHAs implementing this MTW activity are strongly encouraged to 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 sure landlords.

2.b. Payment Standards – Fair Market Rents (FMR): The PHA may establish payment standards between 80% and 120% of the FMR. Without this MTW activity, the range would be between

90% and 110% of the FMR. PHAs implementing this MTW activity are strongly encouraged to 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.

4.a. Vacancy Loss: The PHA may pay a landlord up to one-month contract rent as reimbursement for time the unit spent vacant in between HCV participants. This applies only when an HCV participant leaves a unit, and the next tenant is also an HCV participant. If the unit is vacant for one month between HCV participant tenants, the PHA may pay one month of the contract rent. If the unit is vacant for less than one month, the PHA may pay up to the prorated share of the contract rent, based on the number of days the unit was vacant.

4.b. Damage Claims: The PHA may pay a landlord reimbursement for tenant-caused damages after accounting for any security deposit. The amount of compensation may not exceed the lesser of the cost of damages or two months contract rent. Damages must be documented and accepted by the PHA. The PHA may choose how aggressively to contest claims regarding tenant fault.

4.c. Other Landlord Incentives: The PHA may provide incentive payments up to one month of contract rent to incentivize landlords to join the HCV program (i.e. a signing bonus). PHAs may decide how to target the incentives; HUD recommends providing incentives only for landlords who do not already have any HCV tenants.

5.a. Pre-Qualifying Unit Inspections: The PHA may allow units to be pre-inspected for Housing Quality Standard (HQS) approval to accelerate the lease-up process and minimize the Landlord's lost revenue during a period of vacancy. The pre-inspection must happen within 90 days before the HCV participant begins occupancy of the unit.

5.d. Alternative Inspection Schedule: The PHA may implement an alternative schedule for conducting HQS inspections. Typically, HCV units must be inspected each year. Under this MTW activity, units can be inspected less frequently but must be inspected at least once every three years.

Specific Activities Being Considered by Rockford Housing Authority to be Applied in MTW

Cohort #4

The Rockford Housing Authority has selected the following two MTW Cohort #4 Activities to focus on in the Public Review process:

1. 2. b. Payment Standards – Fair Market Rents (FMR)

2. 4. b. Damage Claims

1. Payment Standards—Fair Market Rents as an MTW Cohort #4 Activity provides the RHA the opportunity to enlarge its field of operations for rental units into areas of greater affluence, thus increasing the range of options for HCV residents as they look for housing.

2. Damage Claims provides the RHA with the opportunity to respond to one of the biggest concerns expressed by landlords, as reinforced in the Landlord Survey responses.

c. Other Landlord Incentives and Initiatives

Rockford Housing Authority's MTW Cohort #4 Landlord Outreach has taken place in the context of what the Housing Authority has systematically done over the years to make things work effectively with landlords. They are not exceptions. They are the rule.

In addition, based on experience, the RHA will continue to implement improvements to its landlord relations, including Streamlining Operations through Technology, Education and Outreach to Landlords, and Communication.

To facilitate technological solutions, better customer service, and better communications, Rockford Housing Authority is implementing many different strategies.

Specific initiatives to date include:

- It uses computer software that fully supports the HCV program and fully supports all requirements associated with MTW Cohort # 4 if the PHA is selected.
- Established a Landlord Portal providing access to all forms and documents
- Direct Deposits
- Real-time inspections
- Tenants move in the same day
- Security Deposit Payments for voucher holders who cannot afford to pay the required amount
- Established Landlord Advisory Committee
- Pictures of Units and amenities
- Landlord of the Year Award

Waivers that Apply to Activities the Housing Authority is Considering

Rockford Housing Authority will work with HUD identified Technical Assistance contractors to determine the best strategy about Waivers and Safe Harbors. Along with the Waivers required in tandem with the Activities, Rockford Housing Authority ends up selecting,

The fourth cohort of the MTW Expansion will evaluate landlord incentives and their effect on landlord participation in the HCV program. HUD identified seven MTW activities in the MTW

Operations Notice that can act as landlord incentives. In addition, two Cohort Specific MTW Waivers and associated activities are available for PHAs participating in the fourth cohort. Together, these MTW Operations Notice and Cohort Specific MTW Waivers and related activities are referred to as the "Cohort #4 MTW Activities List." PHAs in the fourth cohort of the MTW Expansion must implement at least two activities from the Cohort #4 MTW Activities List.

Rockford Housing Authority will use all resources and, where appropriate, fungibility to enhance housing and program opportunities for its residents and use the MTW Cohort #4 status to provide top-level housing resources in coordination with an expanded and satisfied array of landlords.

Rockford Housing Authority will work with HUD-identified Technical Assistance contractors to determine the best strategy concerning Waivers and Safe Harbors. Along with the Waivers required in tandem with the Activities, Rockford Housing Authority ends up selecting,

The fourth cohort of the MTW Expansion will evaluate landlord incentives and their effect on landlord participation in the HCV program. HUD identified seven MTW activities in the MTW Operations Notice that can act as landlord incentives. In addition, two Cohort Specific MTW Waivers and associated activities are available for PHAs participating in the fourth cohort. Together, these MTW Operations Notice and Cohort Specific MTW Waivers and related activities are referred to as the "Cohort #4 MTW Activities List." PHAs in the fourth cohort of the MTW Expansion must implement at least two activities from the Cohort #4 MTW Activities List.

The Cohort #4 MTW Activities List can be found in Section 3 of this Notice.

In addition, just as the RHA does presently, the RHA will use its resources to create and preserve affordable housing, positively impacting the number of homeless families in Rockford and creating avenues for self-sufficiency for all low-income families in the County.

Other Landlord Incentives and Initiatives

Given the many additional landlord incentives and initiatives that the Rockford Housing Authority is already implementing, some may be enhanced with waivers. To determine this, the RHA will work with HUD and its technical assistance contractors to see if waivers are needed or would be beneficial.

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