


Fort Wayne Housing Authority Moving to Work Demonstration



Presented by
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MTW Resident Information Meetings

- Resident Meeting #1 – Tuesday, October 27 @10:00 am
- Resident Meeting #2 – Wednesday, October 28 @ 3:00 pm

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Message from the CEO, Mr. George Guy



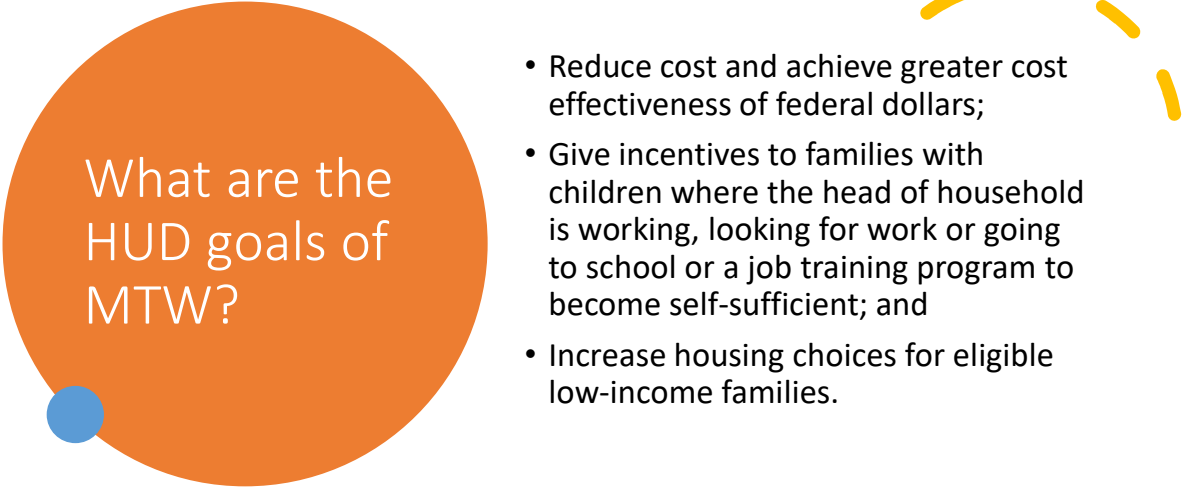
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Why Moving to Work (MTW)?

- MTW Demonstration Program was established in 1996
- MTW is being expanded by an additional 100 PHA's over seven years
- Selected PHA's must be "High Performers"
- The Fort Wayne Housing Authority (FWHA) submitted a letter of interest to HUD in May 2019
- FWHA was selected and invited to submit a formal application for the demonstration



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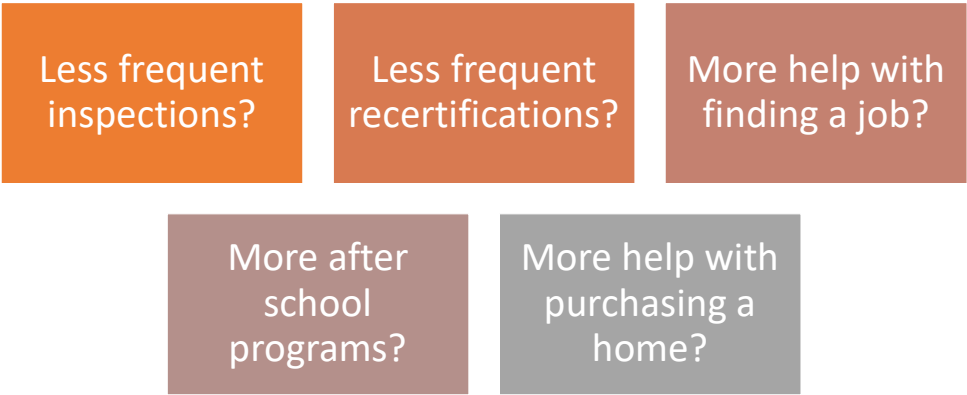


What are the HUD goals of MTW?

- Reduce cost and achieve greater cost effectiveness of federal dollars;
- Give incentives to families with children where the head of household is working, looking for work or going to school or a job training program to become self-sufficient; and
- Increase housing choices for eligible low-income families.

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What changes would you like to see in the Voucher and Public Housing Programs for working families?



- Less frequent inspections?
- Less frequent recertifications?
- More help with finding a job?
- More after school programs?
- More help with purchasing a home?




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What must FWHA do?

- Ensure** • Ensure that at least 75% of families assisted are very low income
- Establish** • Establish a rent policy that encourages employment and self-sufficiency
- Continue** • Continue to assist the same total number of eligible low-income families as would have been served if not participating in MTW
- Maintain** • Maintain a mix of families (by family size) as would have been provided had the funds not been used under MTW
- Ensure** • Ensure housing assisted under MTW meets Housing Quality Standards

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What is Rent Reform – Stepped Rents ?

-  Under MTW, Rent Reform means testing out different ways to calculate rent that will benefit the family.
-  FWHA was selected for MTW Test Rent #2 – Stepped Rents
-  Tenant rent is increased annually by a fixed amount between 2% and 4% and is based on unit size not income

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Who is not eligible to participate in the rent reform demonstration?

- Elderly and disabled households (where the head, co-head or spouse is elderly or disabled)
 - Elderly is re-defined as age 56 or older when the demonstration starts
- Special Purpose voucher households (VASH, FUP, Mainstream, Homeownership)
- Households paying public housing flat rent or ceiling rent
- Households already enrolled in the Family Self-Sufficiency program at the time of the demonstration.

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How does Stepped Rent work?

- Initial Rent – Each household will start out paying rent equal to 30% of their total annual gross income in the prior year or minimum rent of \$50 (whichever is larger)
- Rents are increased annually by a fixed amount unrelated to the family's income



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How does Stepped Rent work? (cont.)

- The rents can increase between 2% and 4% of the HUD published Fair Market Rent (FMR) each year.
 - **The FWHA is proposing to increase the rents by 2%**
 - The stepped rent may not be less than 2% of the FMR or exceed 4% of the FMR (adjusted for unit size)
- Each year, the rent increase numbers may change, but these numbers generally indicate the minimum and maximum annual rent increase that the PHA might implement
- The FWHA intends to review and update the size of the stepped rent increases each year.



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How does Stepped Rent work? (cont.)

- Year 1 - Each household's year one rent will be set at 30% of their gross income (or the FWHA's minimum rent of \$50).
- Year 2 to Year 6 - Each household's rent will increase by the annual stepped rent amount, regardless of income, based on unit size
- Eligible households will include residents/participants in both the public housing and HCV programs, including existing, currently assisted households and new households admitted during the alternative rent enrollment period.



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Example of
annual
increase in rent
under Stepped
Rent policy

Fort Wayne	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom
Fair Market Rent (2021)	\$526	\$632	\$784	\$1,003	\$1,108	\$1,274
Minimum Rent Increase (2%)	\$10.52 (\$11)	\$12.64 (\$13)	\$15.68 (\$16)	\$20.06 (\$20)	\$22.16 (\$22)	\$25.48 (\$25)
Maximum Rent Increase (4%)	\$21.04 (\$21)	\$25.28 (\$25)	\$31.36 (\$31)	\$40.12 (\$40)	\$44.32 (\$44)	\$50.96 (\$51)

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Housing Choice Voucher– Stepped Rent Estimated Impact Analysis

Voucher Bedroom Size	*Estimated Number of Families to Participate	Average Current Rent	Average Stepped Rent	Average Increase in Tenant Rent	YEAR 2 – Estimated Average Tenant Rent (2%)	YEAR 2 – Estimated Average Tenant Rent (4%)
Zero Bedroom	N/A	N/A	N/A	N/A	N/A	N/A
One Bedroom	117	\$180	\$193	\$13	Add \$13	Add \$25
Two Bedroom	291	\$178	\$199	\$21	Add \$16	Add \$31
Three Bedroom	412	\$92	\$156	\$64	Add \$20	Add \$40
Four Bedroom	129	\$122	\$148	\$26	Add \$22	Add \$44
Five Bedroom	23	\$198	\$239	\$41	Add \$25	Add \$51

*Elderly/Disabled households (over age 55) are excluded; All special programs (VASH, FUP, FSS) are excluded;

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Public Housing— Stepped Rent Impact Analysis

Unit/Bedroom Size	*Estimated Number of Families to Participate	Average Current Rent	Average Stepped Rent	Average Increase in Tenant Rent	YEAR 2 - Approximate yearly increase of Tenant Rent (2%)	YEAR 2- Approximate yearly increase of Tenant Rent (4%)
Zero Bedroom	7	\$0	\$0	\$0	Add \$11	Add \$21
One Bedroom	63	\$83.00	\$84.00	\$1.00	Add \$13	Add \$25
Two Bedroom	24	\$67.00	\$74.00	\$7.00	Add \$16	Add \$31
Three Bedroom	68	\$60.00	\$68.00	\$8.00	Add \$20	Add \$40
Four Bedroom	10	\$43.00	\$124.00	\$81.00	Add \$22	Add \$44
Five Bedroom	1	\$0	\$9	\$9.00	Add \$25	Add \$51

*Elderly/Disabled households (over age 55) are excluded; Families enrolled in FSS and families paying Flat Rent are excluded;

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How will this help me become self-sufficient?

- Less recertifications – Household income will be reviewed every three years but not used to determine rent but to check-in with the family and measure the stepped rent policy
- Increased earnings – Households will receive a small increase in rent that can be planned for and they do not have to report increased earnings in income for three years

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What else do I need to know?

- Families will continue to receive a utility allowance
- Recertifications will be easier since only annual gross income will be used, no deductions or asset calculations
- Families may move to a unit of their choice, but their stepped rent will be based on the characteristics of the new unit
- For voucher households, the family will never pay more than the actual gross rent of the unit



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What are Hardship Exemptions?



- A household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total annual gross income.
- The FWHA may grant hardships for other circumstances as determined by the FWHA.
- The hardship rent will equal 30% of the household's current/anticipated total annual gross income.
- POLL – How long should the hardship be allowed? (90 days, 6 months, 1 year)



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Does the FWHA intend to request other changes under this MTW demonstration?

Yes, under the MTW program, the FWHA is proposing to:

- Streamline the utility allowance schedule for HCV and PH
- Allow elderly/disabled families (age 62 and over) to have biennial/triennial recertifications (no changes to the income calculations)
- Remove initial maximum rent burden (40% rule) for families wishing to move
- Increase the ability for zero HAP families participating in the Stepped Rent demonstration to keep the voucher for one-year versus 6-months before being “graduated” from the program
- Continue certain landlord incentives
- Request authority to use public housing and HCV funds flexibly

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When will this Stepped Rent policy start?

- The MTW application is due to HUD by January 8, 2021
- The FWHA must
 - Host two resident meetings
 - Publish a public notice
 - Host a public hearing
 - Obtain a board resolution from the Board of Commissioners
- The FWHA does not expect this program to start until July 2021 at the earliest!




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A graphic of a bright yellow sun with a solid circle and a dashed arc above it, set against an orange background that transitions into a white semi-circle.

How long will this Stepped Rent program last?

The demonstration program is expected to take place for a minimum of six years.


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A large, 3D white question mark on a light blue background.

Questions?

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More Information on MTW

 www.hud.gov

 Contact FWHA with questions
www.fwha.org/contact