



Moving to Work (MTW) Supplement

**Fiscal Year 2027
January 1, 2027 – December 31, 2027**

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A. PHA INFORMATION

PHA Name: Spokane Housing Authority
PHA Code: WA055
MTW Supplement for PHA Fiscal Year Beginning: 1/1/2027
PHA Program Type: HCV Only
MTW Cohort Number: 3
MTW Supplement Submission Type: Annual Submission

B. NARRATIVE

The Spokane Housing Authority (SHA) is pleased to continue its participation in the Moving to Work (MTW) demonstration program in 2027. The programmatic and financial flexibilities and learning community provided by MTW will enable the SHA to achieve its vision to create vibrant communities where people thrive. This marks the fifth year of a five-year project to evaluate landlord incentives and their effect on landlord participation in the Housing Choice Voucher (HCV) program. The SHA has an overall MTW term of 20 years.

SHA Strategic Plan and MTW Objectives

In 2022, the SHA completed a comprehensive strategic planning effort to revisit the agency's guiding values and chart a path for the next five years. The SHA incorporated extensive feedback from staff, participants, and community partners. The resulting strategic plan includes five priorities that reflect a commitment to meaningful change in our area:

- ❖ Affordable Impact
- ❖ Customer Service
- ❖ Housing Stability and Client Success
- ❖ Housing Supply
- ❖ Relationships

The SHA will braid these five priorities with the three statutory objectives of MTW:

1. Reduce Cost and Achieve Greater Cost Effectiveness

The SHA will adopt policies, procedures, and technological improvements to streamline income reexaminations, inspections, and other processes. Greater cost effectiveness will allow the SHA to reallocate resources to serve more families, increase housing supply, and provide excellent customer service.

2. Incentivize Self-Sufficiency

Spokane boasts many local colleges and continuing education learning centers. The SHA will work with these and other workforce development partners to create pathways for families to achieve economic mobility and long-term housing stability. The SHA's housing choice initiatives will increase access to high opportunity areas where families are well-positioned to make progress toward their goals.

As the housing market cools, the SHA will also explore ways to enhance its HCV Homeownership program for existing voucher holders. The SHA will leverage existing partnerships with organizations assisting first-time homebuyers (Habitat for Humanity, Spokane Neighborhood Action Partners, Spokane Low Income Housing Consortium, etc.). While homeownership may not be desirable for all families, it is a critical option for long-term stability.

3. Increase Housing Choice

The SHA will offer landlord incentive and vacancy loss payments to preserve and grow the supply of housing available to participants. SHA will adopt policies, procedures, and technological improvements to simplify lease-up processes for participants and landlords. In addition, the SHA's Landlord Liaison will assist voucher holders in identifying areas that have historically been unattainable to households that are on a fixed-income, underemployed, or unemployed. The SHA will develop one project per year of at least 150 units to increase the supply of affordable housing.

All MTW initiatives will be combined with a commitment to seek and end racial and other demographic characteristics as determinates of success. The SHA will continue to develop local strategies during its participation in MTW, learning from its experiences, community partners, and other MTW agencies.

Summary of 2027 MTW Supplement

The SHA creates and adopts an Annual Public Housing Authority Plan (Annual PHA Plan) to describe its new and ongoing use of awarded federal resources. The Annual PHA Plan is subject to public review and comment and board approval before submission to HUD. This Supplement is submitted with the Annual PHA Plan. HUD approves the Annual PHA Plan and Supplement so the SHA can move forward with its proposed initiatives.

In 2023, the SHA initiated five MTW Waivers to reduce administrative barriers and expand landlord participation. In 2024, the SHA implemented two additional MTW Waivers centered on cost effectiveness and expanding housing supply for low-income households. In 2025, the SHA received approval to implement an alternative reexamination schedule, make vacancy loss payments, and waive third-party requirements for units it owns and manages. The SHA did not request any new waivers in 2026, nor is it requesting any new waivers in 2027; the agency's immediate goal is to focus on the implementation of approved waivers. This Supplement refines existing waivers only.

C. MTW WAIVERS AND ASSOCIATED MTW ACTIVITIES

Payment Standards and Rent Reasonableness

2.b. Payment Standards – Fair Market Rents (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	X	X	X	X

The SHA will set payment standards between 90% and 120% of Fair Market Rents (FMR), expanding the regulatory range of 90% to 110% of FMR. The safe harbor range for MTW Waiver 2.b. is 80% to 120% of FMR, as provided in the MTW Operations Notice. However, the SHA will not set payment standards below 90% of FMR to remain consistent with Emergency Housing Voucher (EHV) operating requirements, which set a range of 90% to 120% of FMR. The SHA will continue to review payment standards on an annual basis when the new FMR is published, and at other times as determined necessary, with consideration to funding availability, rent burden of participating families, quality of units selected, changes in rent to owner, unit availability, and lease-up time and success rate.

This will serve the MTW statutory objective to increase housing choice. Higher payment standards allow households to rent from a larger selection of available housing, including units in high opportunity areas. The SHA anticipates neutral cost implications. This activity will apply only to a subset of assisted households. It will apply to new admissions and currently assisted households and all family types but will only apply to all tenant-based units. It will not apply to project-based units, as the maximum subsidy, or contract rent, for project-based units will continue to be determined in accordance with 24 CFR 983.301(b) and 24 CFR 983.301(c).

A list of the SHA's current payment standards by FMR is attached, as well as an impact analysis and the hardship policy that will apply to this activity. The hardship policy has not been modified since the last submission of the MTW Supplement. The SHA received no hardship requests associated with this activity in the most recently completed fiscal year (2025).

The SHA's current payment standards do not fall outside the regulatory range of 90% to 110% of FMR. The SHA increased its payment standards for 2026 only where necessary to fall above 90% of FMR, or where participants were experiencing significant rent burden. The SHA increased payment standards by \$10 in three categories where 10% or more of participants were paying greater than 40% of their income toward rent (and where the payment standards were not already increased to fall above 90% of FMR): Stevens County 2-bedroom units, Whitman County 1-bedroom units, and Whitman County 2-bedroom units. The SHA considered federal funding projections and conservative budget estimates when setting current payment standards.

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

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	X	X	N/A	N/A

The SHA will waive certain regulations to use its own trained employees in the HCV program to perform rent reasonable determinations and to assist the family in negotiating the rent to owner on units that it owns, manages, and/or controls.

The SHA will follow its rent reasonableness methodology, as provided in Chapter 8 Part III of its Administrative Plan, to collect market data. To ensure impartiality, the SHA's inspectors in the HCV program will use a third-party rent reasonability database (currently AffordableHousing.com) to pull at least three comparable rental units and ensure that rents charged by owners to voucher participants are reasonable when compared to similar unassisted rental units in the market area. To pull at least three comparable rental units, the inspectors will enter unit description data. Rent reasonableness will not be determined by staff in the Asset Management Department.

The SHA will complete quality control inspections in accordance with 24 CFR 982.405(c) and Chapter 8 Part II of its Administrative Plan. The SHA will maintain a quality control tracking system. Quality control inspections will provide feedback on inspectors' work, which will be used to determine if individual performance or general HQS training issues need to be addressed. At HUD's request, the SHA will obtain the services of a third-party entity to determine rent reasonableness for SHA-owned or managed units.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness. The SHA anticipates decreased expenditures. This activity will apply to only a subset of assisted households. It will apply to new admissions and currently assisted households and all family types but will only apply to units that are SHA-owned or managed. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

Reexaminations

3.b. Alternative Reexamination Schedule for Households (HCV)

Implementation Status	Core Questions	Custom Questions		Safe Harbor	Impact Analysis	Hardship Policy
Not Currently Implemented	X	X		X	X	X

Annual reexaminations are complex and often confusing and burdensome to households, the majority of which rely on fixed income that only changes when cost-of-living adjustments occur. As of June 1, 2024, 65% of households that participate in the HCV program at the SHA derive 70% or more of their household income from fixed income sources. And among those 65%, fixed income averages 98.2% of total household income. Annual reexaminations are also administratively burdensome to staff. The SHA currently employs a team of nine staff members whose primary responsibility is processing annual reexaminations. From July 1, 2023, to June 30, 2024, the SHA processed 5,626 annual reexaminations.

The SHA will therefore waive certain regulations (24 CFR 982.505(c)(4)(iii), in addition to the regulations provided in the MTW Operations Notice) to replace annual reexaminations with biennial reexaminations for all households that participate in the HCV program and derive the majority (greater than or equal to 70%) of their household income from fixed income sources. The SHA will use the definition of fixed income sources provided by 24 CFR 982.516(b)(2). For all households that participate in the HCV program, regardless of biennial or annual reexamination schedule, the SHA will allow unlimited interim adjustments for decreases in both earned and unearned income greater than or equal to 10% of the gross household income at the request of the household. The SHA will allow unlimited interim adjustments for increases in both earned and unearned income in any amount at the request of the household. Households will be required to report all interim changes in household composition. The SHA will adjust household composition but will not add earned or unearned income until the next scheduled reexamination unless requested by the household. Households will be eligible for the most recent payment standard and utility allowance on the effective date of their scheduled reexamination, on the date(s) their contract rent increases between scheduled reexaminations, and at a change of unit. All contract rent increases must be compliant with the SHA's policies and procedures. The SHA will begin implementing this activity with a staggered roll out with randomly generated families.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness. The SHA anticipates increased expenditures. This activity will apply to all households that participate in the HCV program and derive the majority (greater than or equal to 70%) of their household income from fixed income sources. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

While initially approved by HUD for implementation in 2025, the SHA has not implemented this activity, both to prioritize other initiatives and with consideration to anticipated increased expenditures.

An impact analysis is attached, as well as the hardship policy that will apply to this activity. The hardship policy has not been modified since the last submission of the MTW Supplement. The SHA received no hardship requests associated with this activity in the most recently completed fiscal year (2025).

3.d. Self-Certification of Assets (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Will Be Discontinued in the Submission Year	X	X	X	N/A	N/A

This activity will be discontinued in the submission year because the Housing Opportunity Through Modernization Act of 2016 (HOTMA) regulations permit the SHA to accept self-certification of net family assets equal to or less than \$50,000 for purposes of recertification of income (24 CFR 982.516(a)(3)). Therefore, this activity is no longer necessary.

Below is the description of the activity.

At reexamination, the SHA will allow participants to self-certify their assets up to \$50,000.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness. It will result in administrative streamlining of the reexamination process and reduce the burden, including personal expenses, on participants who would otherwise be required to provide verification of assets. The SHA anticipates neutral cost implications. This activity will apply to all assisted households in the HCV program. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

This activity was implemented on January 1st, 2023.

Landlord Leasing Incentives

4.a. Vacancy Loss (HCV – Tenant-Based Assistance)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Not Currently Implemented	X	X	X	N/A	N/A

To incentivize a landlord's continued participation in the HCV program, the SHA will make additional payments to the landlord to offset rental income lost during the time a unit is vacant between HCV participants. The payment made to the landlord will be equal to no more than one month of the reasonable contract rent. The payment will be made to the landlord when the next HAP contract is executed between the owner and the SHA. For this activity, the SHA will define "landlord" as the legal owner or the legally designated agent for the unit. The SHA will update its Administrative Plan to reflect the vacancy loss policy. This activity is subject to the availability of SHA funding, program reserves, and board-approved annual budget authority.

This activity will serve the MTW statutory objective to increase housing choice and the SHA's cohort objective to evaluate landlord incentives and their effect on landlord participation in the HCV program. The goals are to maintain and increase landlord participation in the HCV program and encourage landlords to hold units for HCV participants and complete necessary repairs to be compliant with HQS, all while experiencing minimal vacancy loss. The SHA anticipates increased expenditures. This activity will apply to only a subset of assisted households. It will apply to new admissions and currently assisted households and all family types, but only to specific tenant-based units. It will not be applied to project-based voucher (PBV) units, Moderate Rehabilitation Single Room Occupancy (SRO) units, or SHA-owned units. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

While initially approved by HUD for implementation in 2025, the SHA has not implemented this activity, both to prioritize other initiatives and with consideration to anticipated increased expenditures.

No payments were issued under this activity in the most recently completed fiscal year (2025).

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

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	X	X	N/A	N/A

To incentivize new landlords to join the HCV program, the SHA will provide the following incentive payments:

- New Landlord Bonus: The SHA will provide a one-time "bonus" payment equal to one month of the approved contract rent to a landlord or property owner who has never participated as a landlord in the HCV program.
- Welcome Back Bonus: The SHA will provide a one-time "bonus" payment equal to one month of the approved contract rent to a landlord or property owner who left the HCV program for at least 24 months and is now returning.
- Opportunity Area Bonus: The SHA will provide a one-time "bonus" payment equal to one month of the approved contract rent to a landlord or property owner who rents a new unit to an HCV participant in an opportunity area (poverty rate of <20%).
- Security Deposit Assistance: The SHA will provide a one-time payment toward a security deposit

equal to the lesser of one month of the approved contract rent or the security deposit amount if a household meets the McKinney-Vento definition of homeless or is transferring from the PBV program to the HCV program. The household must be unable to receive security deposit assistance from other community resources.

- **Application Fee Assistance:** The SHA will provide a one-time payment of up to \$50 per household toward rental application fees if the household meets the McKinney-Vento definition of homeless or is transferring from the PBV program to the HCV program. The household must be unable to receive application fee assistance from other community resources.

Payments made to the landlord will be equal to no more than one month of the approved contract rent. The payment will be made to the landlord when the HAP contract is executed between the owner and the SHA. Recipients of one incentive payment may not receive an additional incentive payment under another incentive category. For this activity, the SHA will define “landlord” as the legal owner or the legally designated agent for the unit. All incentive payments are subject to the availability of SHA funding, program reserves, and board-approved annual budget authority. The SHA will notify the public of any change in the availability of incentive payments using its website, social media, and any other method necessary.

This activity will serve the MTW statutory objective to increase housing choice and the SHA’s cohort objective to evaluate landlord incentives and their effect on landlord participation in the HCV program. The goals are to increase the number and longevity of participating landlords, increase the number of units available to participants in high opportunity areas, and advance the Spokane Regional Continuum of Care’s move-on strategy. The SHA anticipates increased expenditures. This activity applies only to a subset of assisted households. It applies to new admissions and currently assisted households and all family types but only to tenant-based units. It does not apply to PBV units or SHA-owned units. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

In 2023, the internal procedure, forms, and marketing materials were developed for this activity. This activity was implemented in November 2023, when the incentive payments were rolled out in a “soft opening.” In the most recently completed PHA fiscal year (2025), the SHA issued 30 payments under this activity. The total dollar value was \$41,250. A further breakdown of payments made in 2025 is provided below.

New Landlord Bonus	Welcome Back Bonus	Opportunity Area Bonus	Security Deposit Assistance	Application Fee Assistance	Totals
25	0	4	1	0	30
\$35,733	\$0	\$5,067	\$450	\$0	\$41,250

Cohort-Specific Waivers

4.1 Waiver of Mandatory Initial Inspection (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	N/A	X	N/A	N/A

The SHA will eliminate the requirement for an initial inspection under certain circumstances. One of the following must be met to eliminate the initial inspection: a) the unit is less than five years old (as demonstrated by a certificate of occupancy, provided by the landlord); b) the unit passed an HQS inspection (or equivalent inspection) within the previous three years; or c) the unit is located in a census tract with a poverty rate below 10 percent. The SHA may choose not to eliminate the requirement for an initial inspection even if one of these criteria is met and will document its reasoning in such circumstances. Participants will be able to request an interim inspection. This activity only applies to initial inspections. Units must still have regular inspections according to the SHA's schedule. HQS inspection standards will not be altered as found at 24 CFR 982.401.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness and the SHA's cohort objective to evaluate landlord incentives and their effect on landlord participation in the HCV program. The SHA anticipates decreased expenditures. This activity will apply to all assisted households in the HCV program. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

The SHA updated its Administrative Plan to reflect this activity and began utilizing this waiver in 2025. SHA waived 132 initial inspections in the most recently completed fiscal year (2025).

Housing Quality Standards (HQS)

5.a. Pre-Qualifying Unit Inspections (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	X	X	N/A	N/A

The SHA will allow pre-qualifying unit inspections (also known as pre-inspection) for HQS approval. The pre-inspection must have been conducted within 90 days of the participant occupying the unit. The participant will be able to request an interim inspection. HQS inspection standards will not be altered as found at 24 CFR 982.401.

This activity will serve the MTW statutory objective to increase housing choice and the SHA's cohort objective to evaluate landlord incentives and their effect on landlord participation in the HCV program. The goal is to accelerate the lease-up process and minimize the landlord's lost revenue during a period of vacancy. The SHA anticipates neutral cost implications. This activity applies to all assisted households in the HCV program. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

The SHA updated its Administrative Plan to reflect this activity. SHA did not complete any pre-inspections in the most recently completed fiscal year (2025).

5.c. Third-Party Requirement (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy

Currently Implementing	X	X	X	N/A	N/A
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The SHA will perform HQS inspections on units that it owns, manages, and/or controls.

The SHA will complete quality control inspections in accordance with 24 CFR 982.405(c) and Chapter 8 Part II of its Administrative Plan. The SHA will maintain a quality control tracking system. Quality control inspections will provide feedback on inspectors' work, which will be used to determine if individual performance or general HQS training issues need to be addressed. Participants will be able to request interim inspections. The inspection standards will not be altered as found at 24 CFR 982.401. At HUD's request, the SHA will obtain the services of a third-party entity to determine if PHA-owned units pass HQS.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness. The SHA anticipates decreased expenditures. This activity will apply to only a subset of assisted households. It will apply to new admissions and currently assisted households and all family types but will only apply to units that are SHA-owned or managed. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

5.d. Alternative Inspection Schedule (HCV)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	N/A	X	N/A	N/A

The SHA has established an alternative inspection schedule for its HCV program. Units will be inspected triennially. The participant will be able to request an interim inspection. HQS inspection standards as found at 24 CFR 982.401 will not be altered. HUD will be able to conduct or direct the agency to perform an inspection at any time for health and safety, as well as accessibility, purposes.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness. The SHA anticipates decreased expenditures. This activity applies to all assisted households in the HCV program. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

The SHA updated its Administrative Plan to reflect this activity.

Local, Non-Traditional Activities

17.c. Housing Development Programs

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Currently Implementing	X	X	X	N/A	N/A

The SHA will use MTW Funding to acquire, renovate, and/or build affordable units for low-income families that are not public housing units. Eligible activities will include gap financing for the development of affordable housing and tax credit partnerships. Initial development projects include:

- Reimagining Cornerstone Courtyard, Agnes Kehoe Place, and the Pearl on Adams, a tax-credit partnership portfolio recapitalization.
- Development of an 85-unit project serving seniors at or below 60% AMI.
- Acquisition of a site for future affordable housing or acquisition and rehabilitation to preserve existing affordable housing.
- Development of a childcare facility for low-income families.
- Financing an affordable Accessory Dwelling Unit (ADU) project.

The SHA will not spend more than 10% of its annual HAP budget on these activities alone or in combination with other local, non-traditional activities. Families receiving housing or services through local, non-traditional activity will meet the HUD definition of low-income (income at or below 80% of AMI). The SHA is subject to PIH Notice 2011-45 or any successor notice and/or guidance. The SHA will comply with section 30 of the 1937 Housing Act. Any MTW Funding awarded to a third-party provider will be competitively bid.

This activity will serve the MTW statutory objective to increase housing choice. The SHA anticipates neutral cost implications. This activity applies to all family types, with priority for current residents of existing properties to be redeveloped.

Additional information about MTW Funding commitments and spending for this activity is attached.

D. SAFE HARBOR WAIVERS

The SHA is not currently implementing or requesting any Safe Harbor Waivers.

E. AGENCY-SPECIFIC WAIVERS

2025.01 Third-Party Requirement (HCV – Tenant-Based Assistance)

Implementation Status	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
Was Discontinued in a previous Submission Year	X	N/A	N/A	X	X

This activity was discontinued in a previous submission year because technical revisions to the MTW Operations Notice, as provided by 90 FR 13189, published March 20th, 2025, revised MTW Waivers 2.d. and 5.c. to incorporate units beyond only PBVs and MTW Waiver 2.d. to include the step of negotiating rent to owners. The SHA is implementing MTW Waivers 2.d. and 5.c. and therefore this activity is no longer necessary. A final impact analysis is attached.

Below is the description of the activity.

The SHA is seeking to waive 24 CFR 982.352(b)(1)(v)(A)(1) – (A)(3), 983.303(f), and certain provisions of section 8(o)(11) of the 1937 Housing Act to allow the SHA to perform inspections, rent reasonableness determinations, and negotiate contract rent for units owned or managed by the SHA in accordance with 24 CFR 982.506. In addition to using a HUD-approved independent entity, the SHA will apply the process described for MTW Waiver 2.d and 5.c for PBV units, where the SHA self-conducts inspections and rent reasonableness determinations. This activity will expand on MTW Waivers 2.d. and 5.c.

The SHA will complete quality control inspections in accordance with 24 CFR 982.405(c) and Chapter 8 Part II of its Administrative Plan. At least 10% of the inspections and rent reasonableness determinations will be reviewed for accuracy by a senior staff member in the HCV program. The SHA will maintain a quality control tracking system. Quality control inspections will provide feedback on inspectors' work, which will be used to determine if individual performance or general HQS training issues need to be addressed. Participants will be able to request interim inspections. The inspection standards will not be altered as found at 24 CFR 982.401. At HUD's request, the SHA will obtain the services of a third-party entity to determine if PHA-owned units pass HQS.

This activity will serve the MTW statutory objective to achieve greater cost effectiveness, by decreasing the cost spent on an independent entity, as well as staff time to coordinate independent entity inspections and rent reasonableness determinations for a subset of the SHA's portfolio. In addition, the limited supply of qualified HQS inspectors in the SHA's jurisdiction is a barrier to the timely initial inspection and housing of all HCV applicants; this activity will mitigate this barrier. The SHA anticipates decreased expenditures. This activity will apply to only a subset of assisted households. It will apply to new admissions and currently assisted households and all family types but will only apply to tenant-based units that are SHA-owned or managed. The SHA will apply this administrative flexibility to the HUD-VASH and/or EHV special purpose voucher programs only with prior approval from HUD following PIH Notice 2018-16.

F. PUBLIC HOUSING OPERATING SUBSIDY GRANT REPORTING

F.1 Public Housing Operating Subsidy Grant Reporting

The SHA does not operate public housing.

G. MTW STATUTORY REQUIREMENTS

G.1 75% Very Low Income – Local, Non-Traditional

0 actual families were housed upon admission during the SHA's most recently completed Fiscal Year for its Local, Non-Traditional program households. The SHA has not spent MTW Funding on Local, Non-Traditional activities.

G.2 Establishing Reasonable Rent Policy

The SHA has established rent reform policies. These policies are described in Section C.3 of this MTW Supplement, under MTW Waiver 3.b. Alternative Reexamination Schedule for Households (HCV) and MTW Waiver 3.d. Self-Certification of Assets (HCV).

G.3 Substantially the Same (STS) – Local, Non-Traditional

The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year is 0.

The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year is 0.

0 units developed under the local, non-traditional housing development activity were available for occupancy during the prior full calendar year.

G.4 Comparable Mix (by Family Size) – Local, Non-Traditional

0 Local, Non-Traditional units were occupied in its most recently completed Fiscal Year.

G.5 Housing Quality Standards

Certification is included in the MTW Certifications of Compliance for the HCV and local, non-traditional programs.

H. PUBLIC COMMENTS

H.1 Public Comments

All comments received by the public, and a narrative describing the SHA's analysis of the comments and any decisions made based on these comments, are attached.

I. EVALUATIONS

I.1 Evaluations

The SHA does not have any agency-sponsored evaluations of its MTW policies.

J. MTW CERTIFICATIONS OF COMPLIANCE

J.1 MTW Certifications of Compliance Form

The MTW Certifications of Compliance form is attached.

ATTACHMENT 1: MTW WAIVER 2.B. IMPACT ANALYSIS

Payment Standards – Fair Market Rents (HCV)

Factor	Impacts
Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)	The SHA anticipates no impacts on the agency's finances.*
Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)	The SHA anticipates no impacts on affordability of housing costs for affected families.*
Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)	The SHA anticipates no impacts on the agency's waitlists.*
Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)	The SHA anticipates no impacts on the agency's termination rate of families.*
Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	The SHA anticipates no impacts on the agency's utilization rate in the HCV program.* The SHA does not operate public housing.
Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice	The SHA anticipates that this flexibility will continue to increase housing choice.*
Impact on the agency's ability to meet the MTW statutory requirements	The SHA anticipates no impacts on the Very Low-Income, Reasonable Rent, Substantially the Same, Comparable Mix, or Housing Quality Standards statutory requirements.*
Impact on the rate of hardship requests and the number granted and denied as a result of this activity	The SHA anticipates no impacts on the rate of hardship requests and the number granted and denied as a result of this flexibility.*
Across the other factors above, the impact on protected classes (and any associated disparate impact)	The SHA anticipates no disparate impacts on protected classes.*
Other	

*When the SHA initially requested this waiver in its 2025 MTW Supplement, the SHA had a temporary waiver from HUD to set payment standards between 90% and 120% of FMR due to the effects of COVID-19, which the SHA applied for and was granted. However, it was unclear how much longer this waiver would be available, and the SHA anticipated the local need for higher payment standards to continue. The SHA therefore implemented MTW Waiver 2.b. to retain this flexibility.

ATTACHMENT 2: CURRENT PAYMENT STANDARDS BY FMR

VPS effective 01/01/2026, based on FMR effective 10/01/2025.

Spokane County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	1103	1193	1531	2088	2506	2881	3257
VPS	995	1100	1380	1880	2260	2595	2935
VPS/FMR	90.21%	92.20%	90.14%	90.04%	90.18%	90.07%	90.11%

Stevens County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	879	885	1131	1573	1897	2181	2466
VPS	800	830	1050	1420	1710	1965	2220
VPS/FMR	91.01%	93.79%	92.84%	90.27%	90.14%	90.10%	90.02%

Pend Oreille County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	759	838	1099	1379	1844	2120	2397
VPS	770	865	1135	1295	1665	1910	2160
VPS/FMR	101.45%	103.22%	103.28%	93.91%	90.29%	90.09%	90.11%

Lincoln County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	716	778	1021	1420	1713	1969	2226
VPS	700	820	1075	1400	1650	1900	2145
VPS/FMR	97.77%	105.40%	105.29%	98.59%	96.32%	96.50%	96.36%

Ferry County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	683	742	973	1353	1632	1876	2121
VPS	700	785	1030	1265	1470	1690	1915
VPS/FMR	102.49%	105.80%	105.86%	93.50%	90.07%	90.09%	90.29%

Whitman County

Column1	0BR	1BR	2BR	3BR	4BR	5BR	6BR
FMR	806	891	1169	1626	1961	2255	2549
VPS	795	930	1085	1490	1790	2060	2330
VPS/FMR	98.64%	104.38%	92.81%	91.64%	91.28%	91.35%	91.41%

ATTACHMENT 3: MTW WAIVER 3.B. IMPACT ANALYSIS

Alternative Reexamination Schedule for Households (HCV)

Factor	Impacts
Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)	As of June 1, 2024, 65% of households that participate in the HCV program at the SHA derive 70% or more of their household income from fixed income sources. And among those 65%, fixed income averages 98.2% of total household income. The SHA anticipates increased expenses on HAP. The SHA anticipates greater cost effectiveness due to administrative streamlining. More manageable staff workloads will result in consistently on-time processing of reexaminations, a reduction in PHA errors, and better customer service.
Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)	The SHA anticipates greater affordability of housing costs for affected families, as families' rent portions will not increase between biennial reexaminations, except upon request. The SHA anticipates greater stability for families.
Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)	The SHA anticipates the possibility of an increased amount of time families are on waitlists due to less frequent turnover of vouchers. The SHA anticipates that administrative streamlining will allow the SHA to assist more families.
Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)	The SHA anticipates a decrease in the rate at which families non-voluntarily lose assistance from the agency due to fewer agency-led requests for information from families (fewer opportunities for families to become non-compliant).
Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	The SHA anticipates a more stable utilization rate due to less frequent turnover of vouchers.
Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice	The SHA anticipates that this activity will achieve greater cost effectiveness.
Impact on the agency's ability to meet the MTW statutory requirements	The SHA anticipates no impacts on its ability to meet the Very Low-Income, Reasonable Rent, Substantially the Same, Comparable Mix, or

	Housing Quality Standards statutory requirements. The SHA will continue to monitor the statutory requirements through the reexamination process.
Impact on the rate of hardship requests and the number granted and denied as a result of this activity	The SHA anticipates no impacts on the rate of hardship requests and the number granted or denied as a result of this activity.
Across the other factors above, the impact on protected classes (and any associated disparate impact)	The SHA anticipates no disparate impacts on protected classes.
Other	

ATTACHMENT 4: TABLES 17.C.1 AND 17.C.2

Table 17.c.1 – Housing Development Programs that the MTW Agency plans to commit funds to in Fiscal Year 2027							
Question	Cornerstone Courtyard	Agnes Kehoe Place	Pearl on Adams	Chalice Place Development	Site Acquisition	Development of a Childcare Facility	ADU Project
MTW Role: Acquisition, Rehabilitation, New Construction?	Rehabilitation	Rehabilitation	Rehabilitation	New Construction	TBD	TBD	TBD
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Tax Credit Partnership	Tax Credit Partnership	Tax Credit Partnership	Tax Credit Partnership	TBD	TBD	TBD
Number of Affordable Units	50	51	35	85	TBD	TBD	TBD
Total Number of Units	50	51	35	85	TBD	TBD	TBD
Number of Units by Affordability					TBD	TBD	TBD
• 80% of AMI					TBD	TBD	TBD
• 60% of AMI	50	51	35	85	TBD	TBD	TBD
• 30% of AMI					TBD	TBD	TBD
• Other					TBD	TBD	TBD

Table 17.c.1 – Housing Development Programs that the MTW Agency plans to spend funds on in Fiscal Year 2027							
Question	Cornerstone Courtyard	Agnes Kehoe Place	Pearl on Adams	Chalice Place Development	Site Acquisition	Development of a Childcare Facility	ADU Project
MTW Role: Acquisition, Rehabilitation, New Construction?	Rehabilitation	Rehabilitation	Rehabilitation	New Construction	TBD	TBD	TBD
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Tax Credit Partnership	Tax Credit Partnership	Tax Credit Partnership	Tax Credit Partnership	TBD	TBD	TBD
Number of Affordable Units	50	51	35	85	TBD	TBD	TBD
Total Number of Units	50	51	35	85	TBD	TBD	TBD
Number of Units by Affordability					TBD	TBD	TBD
• 80% of AMI					TBD	TBD	TBD
• 60% of AMI	50	51	35	85	TBD	TBD	TBD
• 30% of AMI					TBD	TBD	TBD
• Other					TBD	TBD	TBD

Table 17.c.2 – Housing Development Programs that the MTW Agency committed funds to in Fiscal Year 2025							
Question	Column1	Column2	Column3	Column4	Column1	Column2	Column3
MTW Role: Acquisition, Rehabilitation, New Construction?							
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other							
Number of Affordable Units							
Total Number of Units							
Number of Units by Affordability							
• 80% of AMI							
• 60% of AMI							
• 30% of AMI							
• Other							

Table 17.c.2 – Housing Development Programs that the MTW Agency spent funds on in Fiscal Year 2025							
Question	Column1	Column2	Column3	Column4	Column5	Column6	Column7
MTW Role: Acquisition, Rehabilitation, New Construction?							
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other							
Number of Affordable Units							
Total Number of Units							
Number of Units by Affordability							
• 80% of AMI							
• 60% of AMI							
• 30% of AMI							
• Other							

ATTACHMENT 5: AGENCY-SPECIFIC WAIVER 2025.01 FINAL IMPACT ANALYSIS

Third-Party Requirement (HCV – Tenant-Based Assistance)

Factor	Impacts
Impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)	The SHA anticipates decreased expenses on contracting third-party inspections. Third-party annual inspections and rent reasonable determinations, initial inspections and new unit rent reasonable determinations, and check repairs and re-inspect inspections currently cost \$42, \$29, and \$27, respectively. In the seven-month period from November 2023 to May 2024, the SHA paid for an average of 23 third-party inspections per month. This cost the SHA an average of \$1,406 per month. With consideration to current staff capacity, the SHA anticipates the need for an additional FTE to accommodate an increased number of in-house inspections. The SHA anticipates that new activities it is implementing, including triennial inspections, waivers of initial inspections, and software/workflow improvements, will increase staff capacity. The SHA will not have the data needed to conduct an accurate cost-benefit analysis until these activities are fully implemented. The SHA will retain third-party inspectors to assist the in-house inspection team as needed while the impact of these offsets is evaluated.
Impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs)	The SHA anticipates that this activity will increase affordability of housing costs for affected families because shorter inspection times will reduce the amount families will spend on temporary stays or rent prior to subsidy.
Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)	The SHA anticipates no impacts on the agency's waitlists. The SHA anticipates that this flexibility will decrease the amount of time between receipt of RFTA and inspection, therefore expediting family move ins. In the 10-week period from April 19th, 2024 to June 21st, 2024, the SHA averaged 7 days between receipt of RFTA and inspection.

Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)	The SHA anticipates no impacts on the agency's termination rate of families.
Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	The SHA anticipates no impacts on the agency's current utilization rate in the HCV program. The SHA does not operate public housing.
Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice	The SHA anticipates that this flexibility will achieve greater cost effectiveness by improving the positive outcomes (expedited family move ins) of resources spent.
Impact on the agency's ability to meet the MTW statutory requirements	The SHA anticipates no impacts on the Very Low-Income, Reasonable Rent, Substantially the Same, Comparable Mix, or Housing Quality Standards statutory requirements.
Impact on the rate of hardship requests and the number granted and denied as a result of this activity	The SHA anticipates no impacts on the rate of hardship requests and the number granted or denied as a result of this flexibility.
Across the other factors above, the impact on protected classes (and any associated disparate impact)	The SHA anticipates no disparate impacts on protected classes.
Other	The SHA anticipates that existing checks and balances, such as funder inspections, will continue to hold the SHA accountable for maintaining HQS. In addition, the Asset Management and Housing Assistance Programs departments at the SHA largely operate independent of each other, so HQS inspectors in the Housing Assistance Programs Department do not have a special interest in the inspections of SHA-affiliated units.

ATTACHMENT 6: MOVING TO WORK HARDSHIP POLICY

The purpose of the SHA's Moving to Work (MTW) Hardship Policy is to: (1) adequately address how the SHA will determine if an MTW activity constitutes a financial or other hardship for the family, and (2) outline how the SHA will immediately provide an exemption from the MTW activity at a reasonable level and duration if it is found to cause a hardship.

The Hardship Policy applies to the following MTW activities:

- MTW Waiver 2.b. Payment Standards – Fair Market Rents (HCV)
- MTW Waiver 3.b. Alternative Reexamination Schedule for Households (HCV)

Applicable Family Situations

The SHA will consider the following situations when determining what constitutes a financial hardship:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; and
- Such other situations and factors determined by the agency to be appropriate.

Process for Agency Review and Determination

When a resident requests a hardship exemption from an MTW activity, the SHA will take the following actions:

1. Suspend the MTW activity beginning the next month after the request until the agency has determined if the request is warranted;
2. Determine whether a hardship exists within a reasonable time after the family request;
3. If the request does not meet the hardship standards, the agency must resume the MTW activity and collect and retroactive rent, if applicable, through a reasonable repayment agreement.
4. If the request does meet the hardship standards, the agency must continue to provide an exemption from the MTW activity at a reasonable level and duration, according to the agency's written policies.

Resident Notification

In addition to including the MTW policies in the Administrative Plan, the SHA will:

- Notify residents of its hardship policy at intake;
- Review its hardship policy with residents at recertification; and
- Consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity.

Grievance Procedure

If a resident's hardship request is denied, the resident may request a second level review by following the SHA's informal review and hearing process, as provided in Chapter 16 Part III of the Administrative Plan.

Reasonable Accommodations

The SHA will follow Chapter 2 Part II of its Administrative Plan to address the needs of persons with handicaps requesting a reasonable accommodation under 24 CFR part 8.

Record Keeping

The SHA will keep records of all hardship requests received and the results of these requests for the duration of its participation in the MTW program. These records will be available for public review and inspection at the SHA's principal office during normal business hours and supplied to HUD if requested.