

## **I. Vision for Rockville Housing Enterprises' MTW Program**

Rockville Housing Enterprises (RHE) is situated in Rockville, Maryland. It was established in 1959 as the City of Rockville's public housing agency to provide affordable housing opportunities. RHE administers both the Public Housing and Housing Choice Voucher (HCV) programs as well as affordable housing options to all eligible households regardless of race, color, religion, sex, physical or mental handicap, familial status, national origin, or other protected class. RHE is dedicated to being an effective and innovative agency that enhances opportunities for self-sufficiency and provides quality affordable housing for the citizens of Rockville.

The vision of RHE' Moving to Work (MTW) Program is to increase the self-sufficiency of its clients through addressing mental health impediments and removing barriers that discourage income increases, while achieving the highest level of internal operating efficiency. RHE intends to fully utilize the MTW program through the use of MTW, Safe Harbor, and Agency-Specific waivers to achieve greater cost effectiveness in the use of federal resources, assist clients on the road to self-sufficiency, and expand affordable housing choices for clients as demonstrated in the MTW Plan below.

Client involvement is the biggest challenge to MTW participation. Mental health issues and a lack of motivation hinders clients from maximizing their income potential. RHE will address this by creating services and programs, with its partners, that help clients to realize a healthier mindset. Additionally, RHE will make a conscious effort to explain the MTW program and the positive benefits to clients whenever possible. With the help of the MTW program, RHE will turn challenges into opportunities allowing RHE' vision to become a reality.

RHE will reduce cost and achieve greater cost effectiveness in federal expenditures by implementing a robust array of rent reform measures and introducing alternative recertification

schedules. RHE will give incentives and promote economic self-sufficiency by providing security deposit assistance, transforming the Family Self Sufficiency (FSS) program, offering mental health services, and increasing the full-time student income exclusion. Lastly, RHE will increase housing choices for eligible low-income families by allowing for the use of HCVs at assisted living facilities for non-workable families, extending the HCV non-use and public housing out of unit time limits, making structural changes to the Project-Based Voucher (PBV) program, and changing certain features of the homeownership program.

## **II. Plan for Future Community/ Resident Engagement**

By holding regular local, online, and teleconference meetings, RHE will continue involving its residents, the broader community, and stakeholders in the MTW program and its housing programs. Technology will be employed to supply up-to-date information to the community, and open dialogue will be encouraged where and whenever possible. RHE will host an annual public comment period and public hearing to receive community feedback on the yearly MTW Supplement. At every function, RHE will ensure obstructions to participation, such as transportation and translation services, are resolved prior to the event. Through myriad partnerships, RHE will build a positive rapport with its clients and the community as an agency that is committed to the civic duty of communal growth.

## **III. Rockville Housing Enterprises Operating and Inventory Information**

<b>Site</b>	<b>Owner</b>	<b>Housing Type</b>	<b>Number of Units</b>	<b>Bedroom Sizes</b>
David Scull	Rockville Housing Enterprises	Public Housing - Family	76	1-4
Scattered Sites	Rockville Housing Enterprises	Public Housing - Single Family Homes	29	1-4
	Rockville Housing Enterprises	Housing Choice Vouchers	419	Various

Scattered Sites	RELP One LLP	Low Income Housing Tax Credits - Condos & Townhomes	56	1-3
Scattered Sites	RHE Properties, Inc	Condos & Townhomes	4	1-2
Fireside Park Apartments	Rockville Housing Enterprises	67% Low Income Housing Tax Credits units, 6% PBV units, 2% ACC units, 25% Market Rate units	236	1-3

The public housing occupancy rate is 98%, the HCV utilization rate is 100%, the occupancy rate for RELP One LLP scattered sites is 96%, the scattered sites owned by RHE Properties, Inc is 100% occupied, and Fireside Park has an occupancy rate of 76% due to ongoing rehab. RHE does not foresee a challenge with leasing units. RHE serves a client population of 54% African American, 38% White, 6% Asian, and 2% Mixed Race, Native American, and Alaskan Native. 14% of households identify as Hispanic. Women comprise 76% of the heads of household (HOH), and disabled households account for 46%. RHE does not anticipate any major changes to the demographics of the households it serves. RHE will make major changes to its housing stock, of which is outlined below in the RHE MTW Plan.

#### **IV. Plan for Rockville Housing Enterprises’ MTW Program**

RHE’ MTW Program will begin by redefining what it means for families to be “workable,” “non-workable,” and “self-sufficient.” With these new definitions, RHE will be able to construct a practical system of operating using MTW flexibilities to assist all clients. A “workable” family is any household with members 18 years or older who are NOT elderly, disabled, on a fixed income, enrolled in full-time school or a job training program, or a full-time caregiver. A “non-workable” family is where the head of household (as well as the co-head of household or spouse, if applicable) is elderly or disabled and is on a fixed income OR all other household members 18 years or older that are elderly or disabled and on a fixed income or enrolled in full-time school or

a job training program. “Self-sufficiency” for workable families is the achievement of an after-tax rent burden of 50%.

The RHE will undertake various rent reform initiatives including utility allowance adjustments, term limits with gradual increases in Total Tenant Payment (TTP), eliminating flat rents in public housing, eliminating the 40% income cap for initial HCV lease-ups, increasing the minimum rent for workable families, and eliminating Earned Income Disallowance.

Currently, RHE is using several utility allowances for its clients. To streamline operations, RHE will fashion either a simplified utility allowance for non-workable families or eliminate the utility allowance for workable families altogether. A determination will be reached once RHE has conducted a thorough analysis.

RHE will introduce a gradual increase in TTP coupled with a term limit for housing assistance. Workable families will contribute 30% of their monthly income or the minimum rent, whichever is greater, for the first year. Client TTP will increase 5% from year one (1) to year five (5) and then increase 10% from year five (5) to year ten (10). Clients will have a term limit of 10 years or until self-sufficiency is reached, whichever comes first. RHE, in conjunction with its partners, will also offer services and referrals to these clients.

RHE will eliminate flat rents in public housing, eliminate the 40% income limit for initial HCV lease-ups, and increase the minimum rent in both the public housing and HCV programs. Some public housing residents, that pay a flat rent, create a precarious condition whereby they become stagnant in their living situation. To encourage families to realize the housing options available to them based on their income, RHE is eliminating flat rents. RHE will waive the regulation, during the initial lease-up, that HCV clients pay no more than 40% of their income towards rent. This will maximize resident choices in the voucher program and substantially increase the client’s ability to

understand the program and lease-up more quickly. Additionally, RHE proposes to increase the minimum rent from \$50 to \$130 initially for workable families, per HUD's safe harbor, during the initial MTW year. In the proceeding years, RHE will eventually increase the minimum rent from \$130 to \$318 per month for workable families. This rent is based on one family member working part-time (20 hours per week) earning the minimum wage of \$13.25. This scenario produces a reasonable annual household income of \$12,270, and 30% of that amounts to \$318 monthly in rent. This increase will put clients on the path to self-sufficiency and allow RHE to expand its client services and programs.

RHE will change its tenant recertifications from annual to biennial for workable families, from annual to triennial for non-workable families, and RHE will continue with annual recertifications for all minimum (less than \$12,270) and zero income families. Interim increases will be disregarded until the next scheduled recertification, and RHE will limit the number of voluntary interim recertifications. Interim decreases will be limited to one during a calendar year and no interim decreases during the first six months after initial occupancy. Required interim recertifications will not count against the limit on voluntary interim recertifications. Non-workable families and Family Self-Sufficiency program participants are exempt from the limit on interim recertifications. The reduction in the frequency of recertifications provides an employment incentive for workable families to not be subject to a rent increase when their income improves due to self-sufficiency successes. Also, RHE will establish a \$50,000 threshold for self-certification of assets. Through these activities, RHE will reduce the regulatory burden on both families and staff to allow a greater focus on people and not paperwork.

RHE will remove the mandatory Earned Income Disregard (EID). Initially, it was an opportunity for cost effectiveness and allowed RHE to reallocate resources towards the









