




Berkeley Housing Authority

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Item 7D
NEW BUSINESS
April 14, 2022

Office of the Executive Director

To: Honorable Chair and Members of the Berkeley Housing Authority Board

From: Rachel Gonzalez -Levine, Acting Executive Director and Jesy Yturralde, Finance Manager

Subject: Move To Work (MTW) Update

Background

HUD continues to hold MTW onboarding/training webinars about the steps and requirements needed in order to begin implementing our MTW flexibilities, between February and May 2022 which appropriate staff are attending, and Rachel attending them all.

Since the March Board meeting, two Finance sessions have occurred, with the following information rolled out by HUD:

- Financing flexibilities can be implemented the first of the month following HUD's execution of the ACC Amendment (the ACC Amendment and Board Resolution was sent to HUD on April 5, 2022).
- Activities that require a Waiver cannot be implemented until after the Supplement to the PHA Plan is approved; our approved MTW application lists the following flexibilities requiring waivers:
 - Disabled Unit Modifications and
 - Unit Cleaning Fees
 - Increase Project-based Voucher Program Cap
 - Acquisition without HUD Approval
 - Cap on number of FSS Participants
- MTW Fiscal fungibility is allowable between HAP funds and Admin. Plan funds
- Disposition proceeds may be used for MTW activities
- Agencies may propose activities that free up funds to be used flexibly
- All required HUD approvals must be received, if needed for:
 - Mixed Finance Development
 - Acquisitions
 - Demolition/Disposition
- Funding flexibilities do not apply to Special Purpose Vouchers (e.g. EHV's)
- MTW agencies will likely have to update their IT systems to accommodate tracking of the new fiscal requirements/fungibility/MTW expenses
- MTW agencies will have to use MTW-specific reporting in the HUD Voucher Management System (VMS) the month following the execution of the MTW ACC Amendment MTW agencies have two choices in terms of implementing funding flexibilities:
 - Option A: Implementing fiscal flexibilities before the end of the fiscal year; follow MTW FDS reporting requirements (Fiscal Data Submission in REAC)

- Option B: Implementing fiscal flexibilities in the next fiscal year; continue current FDS reporting requirements
- MTW agencies can use previous HCV funds held in reserves through Sept. 30, 2022 can use those funds flexibly. It is the agency's responsibility to keep track of this funding.

Below are screenshots of charts presented during the webinars regarding Funding Calculations for MTW agencies:

	HCV Program
Funding Calculation	Administrative Fees are earned as they are for non-MTW agencies HAP Renewal Eligibility is based on HAP and MTW Expenses
Obligation and Expenditure Requirements	Same as for non-MTW
Requisitioning	No requisitioning needed: monthly disbursement based on monthly HAP expenses from VMS, <i>unless</i> current expenses exceed disbursements Non-HAP expense disbursements must be requested by contacting FA in HCV FMC

HAP Renewal Eligibility Based on LOWER of:

1) The MTW HAP Renewal Eligibility Cap, calculated as:

$$\text{MTW Renewal Eligibility Cap} = \text{The agency's pre-MTW monthly per-unit cost (PUC) inflated to the re-benchmark year} \times \text{Total number of MTW-eligible ACC-authorized units in the re-benchmark year}$$

2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

$$\text{Total Eligible Expenses} = \text{HAP Expenses} + \text{Eligible Non-HAP MTW Expenses}$$

Next Steps

As a reminder there are 7 steps BHA must take in order to be able to officially become an MTW agency—see screenshot below identifying those steps. The execution of the MTW ACC Amendment is underway; now that staff has attended the Financial webinars, we will begin staff level discussions, as well as with the Board, on conceptualizing BHA's MTW budgetary planning process.

BHA has also been invited to participate in a nation-wide group of MTW-designated agencies, called the MTW Collaborative Board, which is holding its annual conference during 5 mornings in April (10 am – 1 pm). Additionally, there is an MTW onboarding webinar the day before the April 14 Board meeting, on the Supplement to the MTW Plan, which will be reported on during the May Board meeting.

Steps from Selection to Implementation

- 1 • Complete & Execute the MTW ACC Amendment
- 2 • Prepare your Agency's MTW Finances
- 3 • Conduct Public Process and Complete Development of The MTW Supplement
- 4 • Submit the MTW Supplement to the PHA Plan
- 5 • Transfer PIC 50058 data to IMS/PIC Modernization
- 6 • Coordinate with PD&R and Evaluation Team
- 7 • Receive Approval of MTW Supplement from HUD FO