MADISON HOUSING AUTHORITY

MOVING TO WORK (MTW) SUPPLEMENT PLAN (Proposed)

Fiscal Year 2027
April 1, 2027 – March 31, 2028

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Executive Director

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PROPOSED MTW SUPPLEMENT FY2027

A. MTW Agency Information

MTW Agency Name: Madison Housing Authority

PHA Code: NJ105

MTW Supplement Fiscal Year: FY2027

Fiscal Year Beginning: April 1, 2027

Fiscal Year Ending: March 31, 2028

MTW Agency Type: MTW Expansion Agency

MTW Program: Landlord Incentives Cohort

Executive Director: Karen O'Keeffe

Agency Address: 24 Central Avenue, Madison, NJ 07940

Public Hearing Date: December 14, 2026

Anticipated Board Approval Date: December 15, 2026

B. Narrative

The Madison Housing Authority (MHA) participates in HUD's Moving to Work (MTW) Demonstration Program to improve administrative efficiency, encourage economic self-sufficiency, and expand housing opportunities for low-income households.

For FY2027, MHA will continue implementing its previously approved MTW activities, including flexible payment standards, alternative reexamination schedules, and landlord incentives. MHA also proposes two new activities: establishing a $130 minimum monthly Total Tenant Payment (TTP) for eligible nonelderly, nondisabled households in its Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and Rental Assistance Demonstration PBV programs, subject to applicable RAD requirements; and eliminating utility reimbursement payments for tenant-based HCV households while continuing to apply utility allowances in rent calculations.

These activities support the three statutory objectives of MTW:

Cost Effectiveness: Improve administrative efficiency and manage housing assistance expenditures to maximize available federal funding.

Economic Self-Sufficiency: Support participating households in pursuing employment, education, and financial independence through MHA's Family Self-Sufficiency program and related services.

Housing Choice: Encourage landlord participation and expand housing opportunities through flexible payment standards, landlord incentives, and other approved MTW activities.

MHA's priorities for FY2027 are to maintain program stability, manage rising housing assistance costs, preserve affordable housing opportunities, and support the households it serves.

C. MTW Waivers

C.1. Previously Approved MTW Activities

The Madison Housing Authority (MHA) will continue its active Moving to Work (MTW) activities in FY2027 and retain previously approved activities that have not yet been implemented. MHA is not proposing to discontinue any previously approved activities.

The following table summarizes the implementation status of each activity.

	Activity Description	FY2027 Status
1.o	Initial Rent Burden — Up to 45%	Active
1.w	Alternative Income Inclusions/Exclusions — Assets	Active
2.a	Payment Standards — Small Area Fair Market Rents	Active
3.b	Triennial Reexaminations	Active
4.a	Landlord Vacancy Loss Payments	Active
4.b	Landlord Damage Claims	Not Implemented
4.c	Existing Landlord Incentive	Active
4.c	New Landlord Incentive	Active
4.c	Rent Affordability Incentive	Active
5.a	Pre-Qualifying Unit Inspections	Active
5.c	Third-Party Requirement	Not Implemented
5.d	Alternative Inspection Schedule	Active

9.a	Increase PBV Program Cap	Not Implemented
9.b	Increase PBV Project Cap	Not Implemented
9.c	Elimination of PBV Selection Process for PHA-Owned Projects	Active
9.d	Alternative PBV Selection Process	Not Implemented
9.f	Increase PBV HAP Contract Length	Not Implemented
15	Acquisition Without Prior HUD Approval	Not Implemented
17.b	Service Provision	Not Implemented
17.c	Housing Development Programs	Not Implemented

Status Clarifications

MHA has not implemented certain previously approved MTW activities but intends to retain these flexibilities for potential future use. No changes or discontinuations are proposed for FY2027.

The following clarifications apply:

- **Activity 5.c – Third-Party Requirement:** MHA continues to use an independent inspector for its RAD PBV units and has not exercised this MTW flexibility.
- **Activities 9.a and 9.b – PBV Program and Project Caps:** MHA has not exercised MTW authority to exceed the standard PBV caps. Existing PBV arrangements that predate MHA's MTW participation do not constitute implementation of these activities.

All other activities identified as Not Implemented in the table remain available for future consideration.

C.2. New MTW Activities Proposed for FY2027

MHA proposes two new MTW activities for FY2027 to improve cost effectiveness and manage housing assistance expenditures.

Activity 1.f — Minimum Rent (HCV)

Description

MHA proposes to increase the minimum monthly Total Tenant Payment (TTP) from $50 to $130 for nonelderly, nondisabled households participating in its tenant-based Housing Choice Voucher

(HCV), Project-Based Voucher (PBV), and Rental Assistance Demonstration Project-Based Voucher (RAD PBV) programs, subject to applicable RAD requirements.

Elderly and disabled households will be exempt from the increased minimum TTP.

MTW Statutory Objective

Cost Effectiveness: Reduce housing assistance expenditures and improve the use of available federal funding.

Implementation

Following HUD approval and adoption of the necessary policy revisions, the increased minimum TTP will apply to eligible new admissions and to currently assisted eligible households at their next scheduled regular recertification.

MHA will continue to calculate income, deductions, and utility allowances in accordance with applicable program requirements. Affected households will receive notice of any rent adjustment and available hardship protections.

Hardship Policy

Eligible households may request temporary or long-term hardship exemptions under MHA's proposed revised MTW Hardship Policy, included as Appendix A.

Safe Harbor Compliance

The activity will comply with the applicable Safe Harbors in Appendix I of HUD's MTW Operations Notice. No Safe Harbor Waiver is requested.

Activity 1.f — Impact Analysis

1. Impact on Agency Finances

MHA identified six potentially eligible households, all with current TTPs exceeding $130 ($136–$307). Consequently, no immediate HAP savings are anticipated. Future savings may result from new admissions or changes in household circumstances.

2. Impact on Housing Affordability

No currently assisted households are expected to experience an increase in TTP based on current circumstances. Future eligible households with calculated TTPs below $130 may experience increased housing costs, subject to hardship protections.

3. Impact on the Waiting List

No changes to waiting list policies, applicant selection procedures, or eligibility requirements are proposed.

4. Impact on Involuntary Terminations

MHA does not anticipate an immediate increase in involuntary terminations. Hardship exemptions will be available to eligible households experiencing financial hardship.

5. Impact on Occupancy and HCV Utilization

No immediate impact on occupancy or voucher utilization is anticipated. Any future HAP savings may help MHA maintain assistance within available funding.

6. Impact on MTW Statutory Objectives

The activity supports cost effectiveness by providing an opportunity to reduce future housing assistance expenditures. No measurable immediate savings are anticipated.

7. Impact on the Five MTW Statutory Requirements

MHA does not anticipate an adverse impact on its ability to meet the five MTW statutory requirements, including serving substantially the same number of eligible families, maintaining a comparable family mix, ensuring housing quality, preserving affordability, and meeting applicable federal requirements.

8. Hardship Requests and Exemptions

MHA does not anticipate immediate hardship requests attributable to this activity based on its current household review. Following implementation, MHA will track hardship requests, approvals, and denials.

9. Impact on Protected Classes

Elderly and disabled households are exempt from the increased minimum TTP. Based on its review of current households, MHA does not anticipate an immediate disproportionate impact on protected classes and will monitor implementation for adverse impacts.

Activity 1.n — Utility Reimbursements (HCV – Tenant Based Vouchers)

Description

MHA proposes to eliminate utility reimbursement payments for tenant-based Housing Choice Voucher (HCV) households when the utility allowance exceeds the Total Tenant Payment (TTP). Utility allowances will continue to be applied when calculating rent and housing assistance.

This activity is intended to reduce expenditures and improve administrative efficiency.

MTW Statutory Objective

Cost Effectiveness: Reduce costs and improve efficiency in federal expenditures.

Cost Implications

Decreased expenditures.

Applicability

Household Status: New admissions and currently assisted households.

Family Types: All family types.

Program: Tenant-based HCV only. PBV and RAD PBV households are excluded.

Implementation

Following HUD approval and adoption of the necessary policy revisions, MHA will discontinue utility reimbursement payments for tenant-based HCV households. Affected households will receive advance notice.

Safe Harbor Waiver Required: No.

Hardship Policy Required: No.

Impact Analysis Required: No.

Custom Questions: None.

D. Safe Harbor Waivers

D.1. Will the MTW agency submit a request for approval of a Safe Harbor Waiver this year?

No. MHA's proposed FY2027 activities comply with the applicable Safe Harbors established in Appendix I of HUD's MTW Operations Notice.

E. Agency-Specific Waivers

E.1. Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?

No.

E.2. Does the MTW agency have any previously approved Agency-Specific Waivers?

No.

F. Public Housing Operating Subsidy Grant Reporting

Not Applicable. MHA does not administer a conventional public housing program.

G. MTW Statutory Requirements

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

Not Applicable. MHA has not implemented a Local, Non-Traditional (LNT) housing program.

Income Level	Number of Households Admitted
80%–50% Area Median Income	N/A
49%–30% Area Median Income	N/A
Below 30% Area Median Income	N/A
Total Local, Non-Traditional Households	**N/A**

G.2. Establishing Reasonable Rent Policy

Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?

Yes. MHA has implemented Activity 3.b — Alternative Reexamination Schedule, which qualifies as a reasonable rent policy under HUD's MTW Operations Notice.

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

- Unit months housed through Local, Non-Traditional rental subsidies: **N/A**
- Unit months housed through Local, Non-Traditional housing development: **N/A**
- Units developed through Local, Non-Traditional housing development: **N/A**

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

Not Applicable. MHA does not operate an LNT housing program.

G.5. Housing Quality Standards

MHA will complete the required MTW Certification of Compliance.

H. Public Comments

H.1. Public Comments and Agency Response

MHA will provide a 45-day public comment period and hold a public hearing on December 14, 2026, at 4:00 p.m.

Following the public comment period, MHA will review all comments received and include a summary of its responses and any resulting changes in the final FY2027 MTW Supplement.

Status: Pending completion of the public comment period and public hearing.

I. Evaluation

MHA does not plan to conduct an agency-sponsored evaluation of its MTW activities during FY2027. MHA will continue to monitor program performance through routine administration and required HUD reporting.

J. MTW Certifications of Compliance

MHA will submit the required FY2027 MTW Certifications of Compliance following completion of the public participation process and Board approval.

Status: Pending Board approval and execution of the certification.

Appendix A — FY2027 MTW Hardship Policy

Madison Housing Authority

Proposed Revised MTW Hardship Policy

Fiscal Year Beginning April 1, 2027

The Madison Housing Authority (MHA) maintains this policy to provide hardship protections for households adversely affected by certain approved Moving to Work (MTW) activities.

MHA will inform households of available hardship protections during intake and recertification and will consider potential hardship circumstances when an MTW activity may result in termination of assistance.

Hardship requests will be evaluated in accordance with the eligibility requirements, review procedures, and appeal rights applicable to each activity. MHA may require documentation reasonably necessary to evaluate a request.

MHA will maintain records of hardship requests and determinations in accordance with applicable HUD requirements.

Activity 1.f – Minimum Rent (HCV, PBV, and RAD PBV)

Description

Effective upon HUD approval and implementation by MHA, Activity 1.f establishes a minimum monthly Total Tenant Payment (TTP) of $130 for nonelderly, nondisabled households participating in MHA's tenant-based Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and Rental Assistance Demonstration Project-Based Voucher (RAD PBV) programs, subject to applicable RAD requirements.

Elderly and disabled households are exempt from the increased minimum TTP.

Hardship Exemptions

MHA will provide hardship exemptions to households that are unable to pay the $130 minimum TTP due to financial hardship.

A household may qualify for a hardship exemption under circumstances including, but not limited to:

1. The household has lost eligibility for, or is awaiting a determination of eligibility for, federal, state, or local assistance.
2. The household would be evicted because it is unable to pay the minimum TTP.
3. The household has experienced a decrease in income due to changed circumstances, including loss of employment.
4. A household member has died, resulting in a reduction in household income.

5. The household has experienced other circumstances that MHA determines constitute a financial hardship.

Eligibility for Hardship Exemption

A household subject to MHA's increased $130 minimum Total Tenant Payment (TTP) may request a hardship exemption when the requirement creates a financial or other hardship.

MHA will consider the household's income, expenses, financial circumstances, and other relevant factors in determining eligibility for an exemption.

Eligibility for a hardship exemption will not be restricted based solely on the household's date of admission, relocation history, outstanding repayment obligations, or receipt of a previous hardship exemption.

Request and Review Procedures

A household may request a hardship exemption at any time, either verbally or in writing. MHA will assist households in submitting requests when necessary.

Upon receiving a request, MHA will suspend application of the increased minimum TTP while the hardship request is under review. During this period, the household's TTP will be calculated without applying the increased $130 minimum, subject to otherwise applicable program requirements.

MHA may require documentation or other information reasonably necessary to evaluate the hardship request. Households must cooperate with the review process and respond to requests for information within the timeframe established by MHA. MHA will provide reasonable notice of missing information and an opportunity to respond. Failure to provide requested documentation, respond to communications, or otherwise cooperate with the review process may result in denial of the hardship request.

MHA will review the household's circumstances and available documentation and issue a written determination within 30 days of receiving the request, subject to any additional time reasonably necessary to obtain requested information.

Temporary and Long-Term Hardships

If MHA determines that the hardship is temporary, the household will receive an exemption from the increased minimum TTP for up to 90 days. MHA may review the household's circumstances at the end of that period to determine whether the hardship continues.

If MHA determines that the hardship is long-term, the household will remain exempt from the increased minimum TTP for as long as the qualifying hardship continues, subject to periodic review.

If MHA determines that the household does not qualify for a hardship exemption, the increased minimum TTP will be reinstated in accordance with applicable requirements. Any retroactive amount owed will be addressed through a reasonable repayment agreement, where applicable.

Notice and Appeal Rights

MHA will provide written notice of its hardship determination, including the reason for any denial.

A household may request a second-level review of a denied hardship request within 30 days of receiving MHA's written determination. The review will be conducted by an MHA official who did not make the initial determination.

Households retain any additional informal hearing rights available under MHA's Administrative Plan and applicable HUD requirements.

Implementation

These hardship provisions will become effective only upon HUD approval and MHA implementation of Activity 1.f.

Activity: 2.a. – Small Area Payment Standards –Fair Market Rents (SAFMR) (HCV)

In order to qualify for a hardship exemption, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe MHA any money or is current with a re-payment agreement.
3. The household must be admitted to the program prior to July 1, 2023.
4. The household has not relocated on or after July 1, 2023.
5. The household must experience an increase of 5 percent or more in rent as a direct result of the MTW rent reform initiatives.
6. The household must request the hardship waiver within 10 business days from the date of the letter notifying them of change and giving the timeline in which to request an Informal Hearing or hardship review.
7. The household has not received a rent reform hardship relief for the Payment Standards application at interim recertification previously.

Hardship relief for households who qualify and receive waiver approval may pay their portion of rent based on the calculation under HUD regulations until their next reexamination / recertification or relocation. At the next reexamination / recertification, or relocation, whichever comes first, the household will automatically be subject to the payment standards set by MHA at that time.

Each household is only eligible for one term of relief for the payment standards initiative.

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

MHA has implemented a triennial reexamination schedule for some elderly and disabled households. If a household meets the following three criteria, it will be enrolled in triennial reexaminations.

- the head of household, co-head, and/or spouse is elderly or disabled,
- the only current income in the household is fixed income (e.g., social security, pension), and
- there are no minors in the household.

If a household is enrolled in triennial reexaminations and no longer meets these criteria, they will return to annual reexaminations.

MHA implemented triennial reexaminations effective July 1, 2023. Newly admitted households meeting the eligibility criteria are also enrolled in the triennial reexamination schedule.

Households may request interim reexaminations due to decreases in income, increases in eligible expenses, or other qualifying changes in circumstances. MHA will process interim reexaminations in accordance with its Administrative Plan, applicable HUD requirements, and approved MTW flexibilities.

Households experiencing financial or other hardships resulting from the triennial reexamination schedule may request a hardship exemption under the procedures outlined below.

Hardship Standard

A household may request a hardship exemption when the triennial reexamination schedule creates a financial or other hardship.

Qualifying circumstances may include:

- A decrease in household income of at least $200 per month ($2,400 annually).
- An increase in eligible medical, disability-related, or other qualifying expenses of at least $200 per month ($2,400 annually) that would result in a reduction in the household's rent portion.
- A delay in receiving or obtaining approval for benefit income.
- Other circumstances that MHA determines constitute a financial or other hardship.

MHA will evaluate hardship requests based on the household's individual circumstances and may require documentation reasonably necessary to substantiate the request.

Request, Review, and Appeal Procedures

A household may submit a hardship request to MHA explaining the circumstances supporting the request.

MHA may require documentation or other information reasonably necessary to evaluate the request. Households must cooperate with the review process and respond to requests for information within the timeframe established by MHA.

MHA will provide reasonable notice of missing information and an opportunity to respond. Failure to provide requested documentation, respond to communications, or otherwise cooperate with the review process may result in denial of the hardship request.

MHA will review the household's circumstances and issue a written determination within 30 days of receiving the request, subject to any additional time reasonably necessary to obtain requested information.

If a request is denied, MHA will provide written notice explaining the reason for the denial and the household's right to request a second-level review.

A household may request a second-level review in writing within 30 days of receiving MHA's determination. The review will be conducted by an MHA official who did not make the initial determination.

Households retain any additional informal hearing rights available under MHA's Administrative Plan and applicable HUD requirements.

If a hardship request is denied, MHA may resume the applicable MTW activity. Any retroactive rent determined to be payable will be addressed in accordance with applicable requirements, including reasonable repayment arrangements when appropriate.

Exemption Period

If MHA determines that a household qualifies for a hardship exemption, the exemption will remain in effect for up to 12 months, unless the circumstances supporting the hardship change and the household no longer qualifies.

MHA may review the household's circumstances if new information indicates that the hardship no longer exists.

At the end of the 12-month period, the household may request an extension if the hardship continues. MHA will not require repeated hardship applications during an approved exemption period unless circumstances warrant further review.

Status: Created

Civil Rights Certification
(Qualified PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0226
Expires 09/30/2027

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan," of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning 04/2027, in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*), the Violence Against Women Act (34 U.S.C. § 12291 et seq.), and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Violence Against Women Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. The PHA will affirmatively further fair housing in compliance with the Fair Housing Act, 24 CFR § 5.150 et seq., 24 CFR § 903.7(o), and 24 CFR § 903.15, which means that it will take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws (24 CFR § 5.151). Pursuant to 24 CFR § 903.15(c)(2), a PHA's policies are designed to reduce the concentration of tenants and other assisted persons by race, national origin, and disability. PHA policies include affirmative steps stated in 24 CFR § 903.15(c)(2)(i) and 24 CFR § 903.15(c)(2)(ii). Furthermore, under 24 CFR § 903.7(o), a PHA must submit a civil rights certification with its Annual and 5-year PHA Plans, except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document. The PHA certifies that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

Madison Housing Authority
PHA Name

NJ105
PHA Number/HA Code

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Name of Executive Director: **MS Karen O'Keeffe**		Name of Board Chairman: **Jeffrey Smith**	
Signature:	Date:	Signature:	Date:

This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.