July 2, 2026

FY2026-2027 MTW Plan Amendment

Opportunity Home San Antonio is proposing updates to the FY2026-2027 MTW Plan requiring a 30 day public comment period and public hearing, scheduled for July 21, 2026, before submission to the U.S. Department of Housing and Urban Development (HUD).

The updates proposed are outlined below;

- Section III: Proposed MTW Activities
  - **MTW Activity 2026-2**: Local Project-Based Voucher Subsidy for Tax Credit Developments
  - Proposing this new MTW activity will allow the incorporation of Restore-Rebuild housing units into tax credit developments.
- Appendix I: Rental Assistance Demonstration (RAD) & Section 18 Repositioning
  - Adding HB Gonzalez to the RAD appendix list to allow the application of the property for conversion in FY27.

No other portion of the FY2026-2027 MTW Plan is changing. The full FY2026-2027 MTW Plan can be viewed on our website at homesa.org/mtw.

Please reach out to mtw@homesa.org with any questions or comments.

Sincerely,

Strategy, Data and Innovation Department
Opportunity Home San Antonio

Section III | Proposed MTW Activities

FY2026-2 | Local Project-Based Voucher Subsidy for Tax Credit Developments

A. ACTIVITY DESCRIPTION

i. Describe the proposed activity -

Through this activity, Opportunity Home will make changes to the TTP calculation to create one that is based upon income bands, applying a flat TTP within each income band instead of basing the calculation of TTP on gross or adjusted income. This proposed activity is similar to the "Income Bands" activity described in the "MTW Waivers" appendix of the draft Operations Notice for the Expansion of the Moving to Work Demonstration Program published by HUD in the Federal Register on October 11, 2018. Additionally, Opportunity Home will modify the housing authority subsidy calculation to provide a fixed flat subsidy. The activity may apply to the following RAD-PBV units at multiple mixed-income developments and future units predicated on each transaction's needs. The activity will not apply to any RAD household exercising the right of first return.

Projected potential units are as follows;

- **Creekside** (152 units)
- **San Juan I** (66 units)
- **San Juan II** (69 units)
- **Monterrey Park** (112 units)
- **La Providencia** (90 units)

• TTP (tenant rent) will be set at the applicable tax credit rent based on the unit size and target AMI for the unit.
• Contract rents will be capped at 110% of the HUD-published Fair Market Rent (FMR) based on bedroom size.. Contract rents may be increased through an increase to the TDHCA-published Tax Credit rents.
• The Housing Assistance Payment (HAP) subsidy will be the difference between the contract rent and the TTP minus a utility allowance if the resident pays their own utilities. Payment of the HAP subsidy shall be subject to the availability of federal funding. The HAP contract will otherwise be the same as a standard RAD-PBV HAP contract.

ii. Describe how the activity will achieve one or more of the 3 statutory objectives and the specific impacts on that objective -

This activity will achieve the statutory objective of increasing housing choice for low-income families. By stabilizing rent revenue and standardizing the subsidy schedule, Opportunity Home can leverage higher permanent debt proceeds to insert units at various mixed-income communities. This addition would create financial viability, bringing 489 units online that could otherwise face financing gaps.

iii. Provide the anticipated schedule for implementing the proposed activity -
After approval of the Plan to include this activity, the activity would be placed in use as needed during conversion processes and Restore-Rebuild transactions in accordance with HUD guidelines.

iv. Specify if the PHA plans to apply this activity to any SPV types -
This activity will not apply to any Special Purpose Vouchers (SPV's).

B. COST IMPLICATIONS

i. State whether the proposed activity will result in any cost implications for the PHA -
This activity will help to regulate the cost of housing subsidies for project-based voucher units by fixing the subsidy amount at the amount received from HUD for RAD PBV units. In a traditional project-based voucher unit, the contract rent is established based on the rental price of comparable market-rate units, and the housing assistance payment (HAP) is the difference between the contract rent amount and 30% of the tenant's adjusted monthly income. Through this activity, the TTP is set at the applicable tax credit affordable rent and the Opportunity Home subsidy is a fixed amount based upon the RAD CHAP.

ii. If the proposed activity does result in cost implications, provide an estimate of the amount and discuss how the PHA will manage the surplus or deficit anticipated -
This activity is designed to be HAP-neutral or provide a minor, predictable cost-savings surplus by decoupling the agency's financial obligation from fluctuating tenant incomes. By fixing the subsidy to the RAD CHAP, Opportunity Home eliminates the risk of unexpected HAP spikes at these locations. Any minor surplus generated by this tracking efficiency will be restricted to the MTW block grant and reinvested into local affordable housing preservation or physical development activities under the Restore-Rebuild framework.

C. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

i. Cite the authorization(s) detailed in Attachment C and/or D of the Standard MTW Agreement that give the MTW PHA flexibility to conduct the proposed activity -
Opportunity Home requests authority to waive the following statutes and regulations to undertake this proposed activity:

- Sections 8(o)(2)(A)-(C) of the 1937 Housing Act
- 24 CFR §5.628
- *Attachment C, Section D.2 (Rent Reform and TTP Alternative Calculations) and Section D.7 (Establishment of alternative Project-Based Voucher arrangements).*

ii. Explain why the cited authorization(s) is needed to engage in the proposed activity - Establishment of the fixed flat subsidy is integral to creating and sustaining affordable housing. By simplifying and reassuring bank underwriters with consistent rent revenues, it allows for increased permanent loan sizes for new construction. This strategy not only solves critical financial "gaps" to ensure projects proceed, but also stabilizes Housing Assistance Payment (HAP) costs, providing necessary cost savings that further support our development pipeline. This authorization will permit Opportunity Home to apply the alternative TTP and HAP subsidy determination methods described in section A of this activity.

D. RENT REFORM INFORMATION

i. Impact Analysis -

Because this activity applies strictly to units coming online under the Restore-Rebuild framework, there are no historical baseline metrics or current residents to analyze for negative rent burdens. Families moving into these units will do so voluntarily with prior knowledge of the flat tax-credit rent bands. The clear tiering of income bands ensures that families avoid the "cliff effect," meaning incremental income increases will not trigger immediate, punitive rent increases.

ii. Hardship Case Criteria -

Opportunity Home may establish a standard hardship waiver policy for this activity. If an eligible household experiences an involuntary loss of income (such as loss of employment or a change in household composition) that places their flat TTP above 40% of their adjusted monthly income, the family may request a hardship review. Upon verification, Opportunity Home may temporarily transition the household to a traditional income-based rent calculation (30% of adjusted monthly income) for up to 90 days, renewable upon continuous verification of financial hardship.

iii. Description of Annual Reevaluation -

Opportunity Home will annually review this activity's performance to determine whether the activity is meeting its objective of stabilizing HAP costs while ensuring that the rents are affordable to low-income households. Based on that review, the activity may be modified as necessary to meet its objectives.

iv. Transition Period -

Not applicable. This activity will apply only to Restore-Rebuild units; therefore, there is no impact to existing residents.

Appendix I | Rental Assistance Demonstration (RAD) & Section 18 Repositioning

Executive Summary:
Opportunity Home San Antonio intends to begin submitting applications to participate in RAD, Section 18 Demolition/Disposition, or a combination of both. As a result, Opportunity Home plans to begin submitting applications for sites once prioritization is set based on need and recommendations from external contractor consultation. Specific policy language surrounding this transition will be outlined in the Administrative Plan governing the Housing Choice Voucher program. Additionally, Opportunity Home San Antonio certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing PHAs with access to private sources of capital to repair and preserve their affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that Opportunity Home may also borrow funds to address its capital needs. Opportunity Home may also apply for low-income tax credits, tax-exempt bonds, and other local funds, which, combined with Organization-held funds, will address the capital needs.
Listed below are the properties Opportunity Home plans to begin converting in FY27.

Development 1:

Name of Development: Tarry Towne	**PIC Development ID:** AMP#TX006000013	**Conversion Type:** RAD / Section 18 Blend	**Transfer of Assistance:** No
Total Units: 98	**Pre-RAD Unit Type:** Elderly/Disabled	**Post-RAD Unit Type:** Elderly/Disabled	**Capital Fund Allocation of Development:** TBD
Bedroom Type	**Number of Units Pre-Conversion**	**Number of Units Post-Conversion**	**Unit Configuration Changes**
Studio/Efficiency	0	TBD	N/A
1 Bedroom	68	At least 68	N/A
2 Bedroom	30	At least 30	N/A
3 Bedroom	0	TBD	N/A

4+ Bedroom	0	TBD	N/A

Development 2:

Name of Development: Villa Hermosa	**PIC Development ID:** AMP#TX006000010	**Conversion Type:** RAD / Section 18 Blend	**Transfer of Assistance:** No
Total Units: 66	**Pre-RAD Unit Type:** Elderly/Disabled	**Post-RAD Unit Type:** Elderly/Disabled	**Capital Fund Allocation of Development:** TBD
Bedroom Type	**Number of Units Pre-Conversion**	**Number of Units Post-Conversion**	**Unit Configuration Changes**
Studio/Efficiency	41	At least 41	N/A
1 Bedroom	20	At least 20	N/A
2 Bedroom	5	TBD	N/A
3 Bedroom	0	TBD	N/A
4+ Bedroom	0	TBD	N/A

Development 3:

Name of Development: Westway	**PIC Development ID:** AMP#TX006000026	**Conversion Type:** RAD / Section 18 Blend	**Transfer of Assistance:** No
Total Units: 152	**Pre-RAD Unit Type:** Family	**Post-RAD Unit Type:** Family	**Capital Fund Allocation of Development:** TBD
Bedroom Type	**Number of Units Pre-Conversion**	**Number of Units Post-Conversion**	**Unit Configuration Changes**
Studio/Efficiency	0	TBD	N/A
1 Bedroom	22	At least 22	N/A

2 Bedroom	41	At least 41	N/A
3 Bedroom	63	At least 63	N/A
4+ Bedroom	26	At least 26	N/A

Development 4:

Name of Development: Lofts at Marie McGuire	**PIC Development ID:** AMP#TX006000010	**Conversion Type:** RAD / Section 18 Blend	**Transfer of Assistance:** No
Total Units: 63	**Pre-RAD Unit Type:** Elderly/Disabled	**Post-RAD Unit Type:** Elderly/Disabled	**Capital Fund Allocation of Development:** TBD
Bedroom Type	**Number of Units Pre-Conversion**	**Number of Units Post-Conversion**	**Unit Configuration Changes**
Studio/Efficiency	19	At least 19	N/A
1 Bedroom	38	At least 38	N/A
2 Bedroom	6	At least 6	N/A
3 Bedroom	0	TBD	N/A
4+ Bedroom	0	TBD	N/A

Development 5:

Name of Development: Henry B Gonzales	**PIC Development ID:** AMP#TX006000026	**Conversion Type:** RAD / Section 18 Blend	**Transfer of Assistance:** No
Total Units: 51	**Pre-RAD Unit Type:** Elderly/Disabled	**Post-RAD Unit Type:** Elderly/Disabled	**Capital Fund Allocation of Development:** TBD
Bedroom Type	**Number of Units Pre-Conversion**	**Number of Units Post-Conversion**	**Unit Configuration Changes**

Studio/Efficiency	0	TBD	N/A
1 Bedroom	47	At least 47	N/A
2 Bedroom	4	At least 4	N/A
3 Bedroom	0	TBD	N/A
4+ Bedroom	0	TBD	N/A

Over time, the Organization expects to transition all Public Housing units through RAD and Section 18 blend strategies over a slowly paced timeline due to the number of units that the Organization manages. Staff is still determining the scope of work for each of the projects. Consequently, Opportunity Home does not yet have a relocation plan available with this amendment. A relocation plan will be developed as soon as possible and will adhere to all HUD requirements.

All conversions to Project-Based Vouchers will follow policies and procedures noted in the Administrative Plan, Appendix C, of this MTW Plan.

The Organization may also blend conversions to include Project-Based Rental Assistance units. The final breakdown of units will be determined at the time of application based on financing requirements. All HUD requirements and procedures will be adhered to.

Resident Rights, Participation, Waiting List, and Grievance Procedures

Note: The following protections are statutory requirements under the Rental Assistance Demonstration (RAD). These rights are permanent and are recorded on the property deed to ensure they remain in place.

- **No Re-screening Upon Conversion:** Pursuant to RAD Statute, at conversion, current residents will not be subject to any new rescreening, income eligibility, or under-occupancy standards.
- **Right to Return:** Any resident who is temporarily relocated to facilitate rehabilitation or construction has a permanent, legally guaranteed right to return to an assisted unit at the site once the work is complete.
- **Rent Limitation:** Resident rent will continue to be based on **30% of adjusted gross household income**. If a resident's rent increases by more than 10% or $25 (whichever is greater) solely as a result of the conversion, the increase will be phased in over 3 to 5 years.

- **Renewal of Lease:** Under Section 8 rules (PBV or PBRA), the Project Owner **must** renew the resident's lease unless there is "good cause" for non-renewal (e.g., serious or repeated lease violations). You cannot be evicted simply because your lease "expired."
- **Resident Participation & Funding:** Residents have the right to establish and operate a resident organization. The PHA will provide **$25 per occupied unit, per year** specifically to support these resident participation activities.
- **Choice Mobility:** After a period of residency (12 months for PBV; 24 months for PBRA), residents have the right to request a portable Housing Choice Voucher to move into the private market, provided a voucher is available.
- **Extended Notice Period (Supplemental 4C Update):** In accordance with 2025 HUD requirements, all residents in RAD-converted units will receive a minimum of **30 days' advanced notice** for any lease termination due to non-payment of rent.

Significant Amendment Definition:

As part of the Rental Assistance Demonstration (RAD), Opportunity Home San Antonio is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD-specific items:

a. The decision to convert to Project Based Rental Assistance or Project Based Voucher Assistance;

b. Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;

c. Changes to the construction and rehabilitation plan for each approved RAD conversion;

and d. Changes to the financing structure for each approved RAD conversion.