

## Safe Harbor Waiver - 1.F. Minimum Rent

### Safe Harbor Waivers seeking HUD Approval:

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

- (a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor,

#### 1.F. Minimum Rent.

- (b) the specific safe harbor and its implementing regulation,

Requesting waiver on the minimum rent must not exceed \$130 per month and agency must exclude elderly and disabled families from rent policy. This request is for HCV and Mainstream (MS5). GPHA wishes to set the minimum rent at \$200 and include all household members.

- (c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver,

GPHA would like to raise the minimum rent to \$200 per month and allow this to include elderly and disabled households. The amount is easy for households to understand and agencies to explain. Most elderly and disabled households already meet this threshold. GPHA feels increasing the minimum rent a higher standard would help promote self-sufficiency and reduce the administrative burden of implementing Work Requirements. In addition, the minimum rent would reduce the reliance on utility allowance payments and confusion with providers.

Having one minimum rent across programs and demographics reduces burden and confusion. This amount is already under the cap for most social security fixed households while promoting self-sufficiency.

- (d) a description of the local issue and why such an expansion is needed to implement the MTW activity,

GPHA believes in the goal of self-sufficiency, as does HUD. Partnerships still exist and will continue to help program participants become employed, improve education, or properly care for household members. However, a higher minimum rent will help encourage participants to seek those opportunities with easier understanding of basic reporting.

- (e) an impact analysis,

Enclosed

- (i) a description of the hardship policy for the MTW activity, if applicable,

Enclosed.

(j) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Hardship policies: Activity 1.F. Minimum Rent HCV & MS5

Participants can request a hardship waiver under the MTW Minimum Rent implementation.

GPHA will include statements on letters explaining a hardship waiver and how to apply. GPHA will create a standard form to assist participants in applying for a hardship waiver.

GPHA will include the Minimum Rent information and waiver information in the annual and initial certification process, and include Minimum Rent information briefing communication.

If a program participant is facing termination, GPHA will review the waiver allowances prior to issuing a termination and request the participant apply for waivers.

Any waivers are reviewed by the housing authority within 15 working days. The participant case is placed on "Hold" until a waiver is review and properly vetted. If a hardship exists, the housing authority will immediately create a new interim and implement the waiver. If there is no hardship, the participant may face termination, repayment agreement, and have no certification change.

Minimum Rent waiver can be granted up to 180 days for the following reasons:

- Victim of domestic violence (VAWA) clients if requested.
- Program participants receiving SSI or other documented unearned income benefits greater than or equal to the maximum SSI payment.
- Reasons that meet Family Medical Leave Act (FMLA) if applicable under current employer and employment. Participant may be encouraged to seek TANF or other assistance.
- Temporary medical condition that results in work reduction (program participant will be encouraged to file worker's compensation or short-term disability where applicable).
- Caregivers of a household member with disabilities and not receiving other caregiving services.
- Fixed income households that do not receive the minimum SSI amount.
- Administrative approved reasoning.

Voucher clients can have multiple waivers if a waiver reason continues to exist. In addition to the Minimum Rent Hardship form, clients would need to supply the housing authority with a Zero Income form.

A) The name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor,  
Safe Harbor Waiver - Activity: 1.w. Alternative Income Inclusions/Exclusions

B) the specific safe harbor and its implementing regulation,  
Safe Harbor 1W – Exempting elderly and disabled individuals from this rent determination policy.

C) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver

*Description:*

GPHA proposes the following income exclusions:

- 1) Income deductions would be allowed for anyone that is permanently disabled or elderly (62 years of age and older). GPHA would use 15 percent of the gross income from a qualifying household member's income. If the household includes more than one (1) person with income: 1) additional person is non-qualifying, that person's income is fully counted; 2) additional person is qualifying, that person's income would follow the 15 percent rule. If an eligible household with income has out-of-pocket expense deductions and supportive documentation such as medical insurance bills, ND HHS recipient expenses, Medicare deductions, tenant participation history, etc., GPHA will use the greater of deducting 15% of gross income and the elderly or disabled deduction under HUD regulations. Households that do not have qualifying deductions would receive the standard elderly or disabled deduction under HUD regulations.
- 2) Paid child support and/or paid spousal support. Households must provide statements and documentation showing continued payments to child support and/or spousal support to receive the deduction; and
- 3) Paid renter's insurance. Households must provide policy statements and documentation showing renter's insurance premium for the occupied unit.

Clients must stay current on income and family composition reporting to receive income exclusion(s). Clients that fail to report changes are subject to repayment.

HUD' Safe Harbor in its MTW Operations Notice states that the following condition is required, "i. Agency must exempt elderly and disabled individuals from this rent determination policy." However, HUD's MTW Operations Notice also describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I. GPHA is seeking this Safe Harbor waiver in order to include all household types to benefit from this waiver activity, including elderly and disabled individuals and families.

*Agency goals for MTW Activity:*

- 1) GPHA has many clients that use the medical expense deduction. Medical deductions may change each year, leaving many fixed- income households seeing large spikes and drops in their rent portion. Although changes are happening under HOTMA, the IRS tax code and other program changes have left clients holding medical receipts only for housing purposes.

Numerous housing clients exceed 200 pages in medical documentation each year. This is an enormous burden to review and document which items received payment and are eligible under IRS deductions. Housing Authorities must track medical information and store it under HIPAA compliance and documentation required for Federal Auditing standards. Utilizing this amendment, GPHA would no longer need to review and maintain medical documents, unless at the time of a hardship request. This is an enormous time savings in reviews and for clients. GPHA would not need to explain calculations and decisions on specific bills to auditors. GPHA would not need to verify paid expenses with various medical

providers.

The medical exclusion would help clients and the agency prepare for HOTMA changes and eliminate “calculation” swings that occur when clients have medical expense changes.

- 2) By allowing paid child support and/or paid spousal support as an income exclusion, GPHA’s goal with this activity is to provide proper incentives for voucher-assisted households to make such payments in a timely fashion on behalf of their children by also having those amounts excluded from their income so that they are not “taxed” on their income for monies that they have paid out for this purpose. This will help support the goal of self-sufficiency, reduce law enforcement issues, encourage incomes in both households, and increases housing stability.
- 3) By allowing voucher-assisted households to exclude paid renter’s insurance, which is required of them, from their income, it will help to align the voucher program with this requirement and support the goal of self-sufficiency, housing choice, and reducing eviction.

**MTW Statutory Objectives.** Which of the MTW statutory objectives does this MTW activity serve? Self-Sufficiency, Housing Choice and Cost Effectiveness

**Cost implications.** What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased HAP expenditures

**Different policy by household status/family types/sites?** Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

All assisted households

**Household Status.** Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Both new admissions and currently assisted households.

**Family Types.** Does the MTW activity apply to all family types or only to selected family types?

This activity applies to all family types, (e.g. families with children, elderly, disabled, elderly non-disabled, and non-elderly persons with disabilities under the Mainstream 5-year program.

## For HCV activities:

This activity applies to all tenant-based units and properties with project-based vouchers.

What inclusions or exclusions will be eliminated, modified, or added?

- GPHA proposes the following income exclusions:
- Medical expense exclusion to flat percentage of 15%.
- Paid child support and/or paid spousal support. Households must provide statements and documentation showing continued payments to child support and/or spousal support to receive the deduction; and
- Paid renter’s insurance. Households must provide policy statements and documentation showing renter’s insurance premium for the occupied unit.

## (a) a description of the local issue and why such an expansion is needed to implement the MTW activity,

By allowing paid child support and/or paid spousal support as income exclusion, GPHA’s goal with this activity is to provide proper incentives for voucher-assisted households to make such payments in a timely fashion on behalf of their children by also having those amounts excluded from their income so that they are not “taxed” on their income for monies that they have paid out for this purpose. This will help support the goal of self-sufficiency and

reduce attrition and evictions.

By allowing voucher-assisted households to deduct paid renter's insurance, which is required of them, from their income, it will help to align the voucher program with this requirement and support the goal of self-sufficiency and housing choice.

Changing the medical expense deduction to have an income exclusions reduces an administrative burden and helps qualifying households properly budget.

HUD' Safe Harbor in its MTW Operations Notice states that the following condition is required, "i. Agency must exempt elderly and disabled individuals from this rent determination policy." However, GPHA is seeking this Safe Harbor waiver in order to include all household types to benefit from this waiver activity, including elderly and disabled individuals and families.

**(b) an impact analysis**

Hardship policy submitted.

**(c) a description of the hardship policy for the MTW activity, if applicable, and**

Hardship policy submitted.

**(d) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.**

No comments submitted.



# Great Plains Housing Authority

Serving Dickey, Eddy, Foster, Logan, Sargent, Stutsman, and Wells Counties

Hardship policies: Activity: 1.w. Alternative Income Inclusions/Exclusion (HCV & MS)

## Income exclusions

GPHA does not anticipate hardships under the proposed exclusions as it alleviates many issues on the income side and provides greater benefit to clients.

If a client would like an informal review to see the calculations, GPHA will provide that time and discussion.

## Medical deduction flat percentage hardship

Participants can request a hardship under the MTW Medical Deduction implementation. Participants that experience a negative change or are required to pay more out of pocket during the implementation can request an extension to remain at the current Housing Assistance Payment levels until the next annual review.

Example for medical expense exclusion. GPHA would use the standard deduction under HUD regulations and set the medical expense review cut-off to the HOTMA standard of 10% of gross income. If a household presents medical expenses that would exceed the 10% threshold, GPHA would exclude 15% of their gross income.

The housing authority can provide documentation and refer the participant to economic assistance programs that might help in budgeting.

GPHA will include statements on letters explaining a hardship and how to apply. GPHA will create a standard form to assist participants in applying for a hardship.

Clients would not need to maintain documentation just for housing assistance. GPHA currently has 698 local client (not counting 55 portability), and there are 364 households that are either disabled or elderly. This helps amendment would help 52% of GPHA's client's budget without concern of large increases or decreases.

This waiver would benefit elderly and disabled families and individuals, including non-elderly persons with disabilities under the Mainstream 5- year program.

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<b>Activity</b>	<b>Activity: 1.w. Alternative Income Inclusions/Exclusion (HCV &amp; MS)</b>
<b>Fiscal Year</b>	<b>FY 2025</b>
<b>Program</b>	<b>Voucher Program (HCV) &amp; Mainstream (MS5)</b>
1. Impact on the agency's finances	<p>There will be an increase to HAP expenditures as clients will have an exclusion that was previously unavailable to them. GPHA does not know how many clients are eligible for the paid child support, paid spousal support, garnished social security, and renter's insurance exclusion. This is not an item that is tracked by agencies. Child support and spousal support are items that can be either formal agreements (court ordered) or informal agreements (notarized agreements). Clients will need to show payments being made.</p> <p>Work requirement should offset any costs. GPHA will also ease off administrative HAP costs to implement.</p> <p>Medical expense exclusion: GPHA anticipates his activity will increase HAP expenditures per year between HCV and Mainstream programs. GPHA has streamlined / alternating annual certifications for most fixed income households, and this will take two years to implement. However, this financial impact may change per HOTMA implementation.</p>
2. Impact on the affordability of housing costs for affected families	<p>This will increase affordability. Clients that paid these items were previously impacted as HUD used gross income and these clients were already at a loss.</p> <p>Many landlords are imposing a renter's liability policy or requiring insurance through private providers. This increases housing costs.</p> <p>This will improve many client's ability to afford housing costs as it locks in a standard amount. Several clients see large swings year to year in medical expenses and rental assistance.</p>
3. Impact on the agency's waitlist(s)	It is unknown how this will impact the waiting list with current HUD funding. GPHA may hold back added or replacing clients to implement this activity.
4. Impact on the agency's termination rate of families	<p>This should reduce termination rate. Households are being penalized for paying the child support, spousal support, and garnishment are setup for failure by not having enough financial backing to pay the rent or utilities.</p> <p>North Dakota Courts is upholding evictions based on renter's insurance and other fees. Assisting clients with these costs will reduce terminations, evictions, and at-</p>

	risk clients.
<b>5.</b> Impact on the agency's current utilization rate in the HCV program	GPHA anticipates the utilization rate to remain the same or dip. It is unknown how this will impact the utilization rate with current HUD funding.
<b>6.</b> Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency and/or housing choice	<p>These exclusions will allow for all three statutory goals to be met.</p> <p>This is cost effective by reducing down an enormous administrative burden, reducing error risks, and streamlining a calculation process for clients and housing staff.</p>
<b>7.</b> Impact on the agency's ability to meet MTW statutory requirements	It is unknown how this will impact the MTW statutory requirements with current HUD funding. However, GPHA will fluctuate other activities and funding sources to fully implement this item.
<b>8.</b> Impact on the rate of hardship requests and the number granted and denied as a result of this activity	<p>There should be no hardship requests since the exclusions are new and not requiring formal agreements.</p> <p>Medical exclusions: GPHA anticipates 25-30 hardships under this change. GPHA staff and partnering agencies will assist clients in applying for other medical benefits.</p>
<b>9.</b> Impact on protected classes (and any disparate impact)	<p>This will have a positive impact the familial status to help support those receiving child support and spousal support. Allow a renter's insurance deduction will help all households under GPHA's program maintain affordability and reduce eviction risk.</p> <p>Medical exclusion: This activity is only eligible for HUD qualifying disabled and elderly households. GPHA is not changing the qualifications. GPHA does not foresee any impact on other protected classes.</p>