

## Impact Analysis

Activity	<p><b>Tenant Rent Policies</b></p> <p><b>1f. Minimum rent</b></p> <p><b>1h. Tenant payment as modified percentage of income</b></p> <p><b>1j. Alternative utility allowance</b></p> <p><b>1n. Utility reimbursements</b></p> <p><b>1s. Elimination of deductions</b></p> <p><b>1u. Standard deductions</b></p> <p><b>1w. Alternative income inclusions, exclusions</b></p>
	<p>Minimum rent will be \$100 for all households. TTP will increase to 35% of income. One utility allowance for all unit types, varying by unit size. Eliminate utility reimbursements under \$20 per month. Eliminate unreimbursed childcare and medical expense deductions. Standard deduction for all elderly/disabled households will increase from \$400 to \$1,500 to offset other changes. Exclude student income over tuition, exclude all wage income for household members age 20 and below, and count all wage income for students 21 and above.</p>
<p><b>1. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b></p>	
<p>Totality of changes should be neutral, not expected to impact agency finances significantly. Anticipated benefit to the agency due to anticipated increase in voucher utilization. Possible staff time savings/admin costs savings in the long term.</p>	
<p><b>2. Describe the activity's impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs);</b></p>	
<p>Housing costs will increase moderately for most households, and not at all for some. See analysis of sampling of households attached. Households will more easily understand simplified calculations. Increased minimum rent and TTP are expected to act as an incentive for employment along with the implementation of a triennial certification process. Changes allow for greater housing choice and increased access to housing due to a clear understanding from landlords and households of tenant rent responsibilities. Increased access to housing is anticipated due to the ability of households to use more of their income to access housing.</p>	
<p><b>3. Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b></p>	
<p>No impact</p>	
<p><b>4. Describe the impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b></p>	
<p>Impact should be minimal due to total package of changes balancing each other out and hardship policy coverage for those who need it.</p>	
<p><b>5. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b></p>	
<p>None expected</p>	

## Impact Analysis

### **6. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**

Simplifications make rent calculations more understandable for tenants and allow hardship exceptions if necessary. Changes save tenant time and in many cases decrease costs. Increased minimum rent and TTP expected to act as incentive for employment. Changes save staff and tenant time doing repeated, changing calculations that do not significantly change tenants' situations. Staff time/admin cost savings allows more time to work with tenants and explore new projects. Anticipate tenants having increased housing choice due to clarity in understanding household funds needed for housing. Allows for landlords to understand household rent responsibilities. Reduces the need for staff to calculate housing feasibility.

### **7. Describe the impact on the agency's ability to meet the MTW statutory requirements;**

None expected

### **8. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity; and**

No significant change expected due to total package of complimentary and offsetting changes. Hardship policy is in place to protect those who need it, such as the few families affected by losing certain deductions. Agency will track and document hardship requests so as to adjust program design, better clarify requirements, or clear up misunderstandings for participants if necessary.

### **9. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)**

Elderly/disabled households protected from disparate impact by increased standard deduction and hardship policy.

## Rent Policy Waiver – Examples of Impacts

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment Percent of Income	Total Tenant Payment (rounded)
Disabled Single Person Family	Monthly Income \$794	Current	\$400	\$9,128	760.67	30%	\$228
	Annual Income (monthly x 12) \$9,528	MtW	\$1,500	\$8,028	669.00	35%	\$234

Monthly change: \$6 increase

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment Percent of Income	Total Tenant Payment (rounded)
Elderly Family	Monthly Income \$1,424	Current	\$400	\$16,688	1390.67	30%	\$417
	Annual Income (monthly x 12) \$17,088	MtW	\$1,500	\$15,588	1299.00	35%	\$455

Monthly change: \$38 increase

MtW

22

## Rent Policy Waiver – Examples of Impacts

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment Percent of Income	Total Tenant Payment (rounded)
Adult + 1 minor dependent	Monthly Income \$944	Current	\$480	\$10,848	904	30%	\$271
	Annual Income (monthly x 12) \$11,328	MtW	\$480	\$10,848	904	35%	\$316

Monthly change: \$45 increase

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment Percent of Income	Total Tenant Payment (rounded)
Disabled Single (no medical expenses)	Monthly Income \$777	Current	\$400	\$8,942	743.67	30%	\$223
	Annual Income (monthly x 12) \$9,324	MtW	\$1,500	\$7,824	652.00	35%	\$228

Monthly change: \$5 increase

MtW

23

## Rent Policy Waiver – Examples of Impacts

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment % of Income	Total Tenant Payment (rounded)
Adult with 3 Dependent Minors, no childcare	Monthly Income \$2,200	Current	\$1,400	\$24,960	\$2,080	30%	\$624
	Annual Income (monthly x 12) \$26,400	MtW	\$1,400	\$24,960	\$2,080	35%	\$728

Monthly change: \$104 increase

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment Percent of Income	Total Tenant Payment (rounded)
2 Adults + 4 Dependent Minors, no childcare expenses	Monthly Income \$1,500	Current	\$1,920	\$16,080	\$1,340	30%	\$402
	Annual Income (monthly x 12) \$18,000	MtW	\$1,920	\$16,080	\$1,340	35%	\$469

Monthly change: \$67 increase

MtW



24

## Rent Policy Waiver – Examples of Impacts

			Deductions (allowances & expenses)	Adjusted Annual Income (subtract deductions)	Adjusted Monthly Income	Total Tenant Payment % of Income	Total Tenant Payment (higher of % income or MINIMUM RENT)
Zero Income Family	Monthly Income \$0	Current	\$0	\$0	\$0	30%	\$50
	Annual Income (monthly x 12) \$0	MtW	\$0	\$0	\$0	35%	\$100

Monthly change: \$50 increase

- Increased elderly/disabled deduction (from \$400 to \$1,500) greatly offsets the impact of rent changes on most elderly/disabled households
- Rent changes for other families are balanced by reduced certification frequency: increases in income will not trigger a subsequent interim to increase rent portion
- Hardship waivers will be put in place to specify when & how to make exceptions to

MtW



25

## Impact Analysis

### Activity

**2.b. - Payment Standards – Fair Market Rents (HCV)**  
**Raise 1BR payment standard to 120%**  
**Raise 1BR accessible unit payment standard to 140%**

**1. Describe the activity’s impact on the agency’s finances (e.g., how much will the activity cost, any change in the agency’s per family contribution)**

HAP expenses will increase, but HRHA will manage the increase through enhanced utilization and use of proposed rent offsets. Agency’s 1BR voucher value will increase from the current \$773 per month to \$843 (120%) and \$984 (140%). With 393 1BR unit vouchers leased now out of 431 total, 38 searching for a 1BR unit, and 581 total households on the 1BR waiting list, this attempt to increase housing choice and number of accessible units is necessary in our tight rental market. The expense increase is anticipated to be offset by the proposed increase in minimum rent from \$50.00 to \$100.00 and increase in tenant responsibility from 30% to 35%.

**2. Describe the activity’s impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs);**

HRHA’s initial analysis identified a potential \$6.00 increase to one bedroom households. The increase, although not significant, is anticipated to be minimized by the proposed triennial recertification process. This change is not expected to impact households’ overall budget. It will increase housing choice: by covering more rental cost HRHA expects households to have more choice of scarce available 1BR units and 1BR accessible units. The activity will increase access and utilization while reducing housing search time for 1BR units.

**3. Describe the impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist);**

Change should help shorten wait list and wait time for hard to find 1BR units, especially when accessible 1BR units become available. Currently 581 households are on the waiting list for 1BR units. An additional 35 voucher holders have been searching for units for an average of 110 days.

**4. Describe the impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);**

No impact expected.

## Impact Analysis

**5. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

Expect to increase use of vouchers, especially for hard to serve households.

**6. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**

Expect to increase housing choice for 1BR households and especially for those needing accessible units. Increased payment standard should appeal to more landlords.

**7. Describe the impact on the agency's ability to meet the MTW statutory requirements;**

The proposed increase will support HRHA's ability to meet the MTW statutory requirement by increasing housing choice and cost effectiveness.

**8. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity; and**

No impact expected

**9. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)**

None expected

## Impact Analysis

<b>Activity</b>	<p><b>3.b. - Alternative Reexamination Schedule for Households (HCV)</b></p> <p>Recertification once every three years. Interim decreases allowed once per year per household if experience a 20% or more decrease of gross income for household total income.</p> <p>When at zero income there will be a 3-month grace period, then an interim completed with income previously calculated rent if there is no other source of income.</p> <p>Interim when household goes from zero to earning income.</p> <p>Applies to current households. Interim policy applies to everyone right away. Triennials will kick in one year after New Admission for households.</p>
<b>1. Describe the activity's impact on the agency's finances (e.g., how much will the activity cost, any change in the agency's per family contribution)</b>	
Anticipate some increase in HAP expenses due to annual/inflationary rent increases and no corresponding tenant rent share increases. Process costs will be offset by staff and administrative cost savings.	
<b>2. Describe the activity's impact on affordability of housing costs for affected families (e.g., any change in how much affected families will pay towards their housing costs);</b>	
Anticipate significant benefit to families as well as increased housing choice and self-sufficiency. The triennial certification process will allow households to retain additional earnings and encourage full- and part-time employment options.	
<b>3. Describe the impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>	
None expected. Families keeping more of their earned income may achieve self-sufficiency more quickly than in the past, opening units and reducing wait times.	
<b>4. Describe the impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>	
No change expected. Possible reduction in termination rate with recertification less often and household keeping income increases for that time.	
<b>5. Describe the impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>	
None expected	

## Impact Analysis

### **6. Describe the impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice;**

Anticipate the activity will provide a positive impact on achieving MTW goals through cost savings in staff time as well as improved self-sufficiency and housing choice for households. Staff will reallocate the time previously spent on certification to assist in housing search and housing stabilization activities. This activity will improve self-sufficiency and housing choice by allowing households to keep more income between certifications leading to the ability to cover rent without a voucher or save for a rental deposit or homebuyer down payment.

### **7. Describe the impact on the agency's ability to meet the MTW statutory requirements;**

Anticipate that this activity will have the most significant impact on households in assisting them in becoming more self-sufficient. The staff time saved through less frequent certification improves overall program cost effectiveness.

### **8. Describe the impact on the rate of hardship requests and the number granted and denied as a result of this activity; and**

None expected. This change should be an advantage for all households, and households can request an interim certification annually.

### **9. Across the other factors above, describe the impact on protected classes (and any associated disparate impact)**

None anticipated, should be a positive change for households within the protected classes.

## **MTW Safe Harbor Waiver Request**

### **Harrisonburg Redevelopment and Housing Authority – VA014**

HRHA requests a Safe Harbor Waiver for the following group of MTW activities.

#### **1. Tenant Rent Policies**

The agency is authorized to adopt and implement the activities listed below for setting tenant rents in public housing, including but not limited to establishing definitions of income and adjusted income that differ from those in the current 1937 Act and its implementing regulations. The agency is authorized to adopt and implement the activities listed below to establish total tenant payments (TTP)<sup>1</sup> in the HCV program, and/or tenant rents for tenant-based and project-based voucher (PBV) assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The agency is authorized to adopt and implement the activities listed below to calculate the tenant portion of the rent in a way that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. The agency must determine initial eligibility in accordance with 24 CFR 5.609 and must comply with section 3(b)(2) of the United States Housing Act of 1937 Act (1937 Act) (42 U.S.C. § 1437). For voucher activities, the Department has developed a standard rider to the HAP contract that reflects any MTW authorizations that amend the current requirements of the HAP contract.

**1f Minimum Rent.** Increase minimum rent to \$100 for all households.

#### **Statutes and Regulations Waived**

Minimum Rent (HCV) - Certain provisions of sections 3(a)(3)(A) and 8(o)(2)(A)-(C) of the Act and 24 CFR 5.628 and 5.630.

#### **Safe Harbors**

- i. Minimum rent must not exceed \$130 per month.
- ii. Agency must exclude elderly and disabled families from rent policy.
- iii. Agency must conduct an impact analysis. \*
- iv. Agency must implement a hardship policy. \*

**1h Total Tenant Payment.** Increase total tenant payment to 35 percent of income for all households

#### **Statutes and Regulations Waived**

Tenant Payment as a Modified Percentage of Income (HCV) - Certain provisions of sections 3(b)(4)-(5) and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.609, 5.611, and 982.516.households.

## **Safe Harbors**

1.g. and 1.h. i. The Tenant Payment in public housing and the Tenant Payment in HCV must not exceed 32% of income for non-elderly/non-disabled families if the agency is utilizing flexibility under activities 1.r., 1.t. and/or 1.v. (for 1.g.) or 1.s., 1.u. and/or 1.w. (for 1.h.).

ii. The Tenant Payment in public housing and the Tenant Payment in HCV must not exceed 35% of income for non-elderly/non-disabled families if the agency is not utilizing flexibility under activities 1.r., 1.t. and/or 1.v. (for 1.g.) or 1.s., 1.u. and/or 1.w. (for 1.h.).

iii. Agency must exempt elderly and disabled families from rent policy.

iv. Agency must conduct an impact analysis. \*

v. Agency must implement a hardship policy. \*

**1s Elimination of Deductions.** Eliminate expense deductions for unreimbursed child care and medical expenses for all households.

## **Statutes and Regulations Waived**

Elimination of Deduction(s) (HCV) - Certain provisions of sections 3(a)(1), 3(b)(4)-(5) and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.611, and 982.516.

## **Safe Harbors**

1.r. and 1.s. i. Agency must conduct an impact analysis. \*

ii. Agency must exempt elderly and disabled families from rent policy. \*

iii. Agency must implement a hardship policy. \*

**1u Standard Deductions.** Increase standard deduction for all elderly/disabled households from \$400 to \$1,500 per month to offset the minimum rent of \$100 per month, increased TTP to 35 percent, and the elimination of medical expense deductions.

## **Statutes and Regulations Waived**

Standard Deductions (HCV) - Certain provisions of sections 3(a)(1), 3(b)(4)-(5), and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.611, and 982.516.

## **Safe Harbors**

1.t. and 1.u. i. Agency must conduct an impact analysis. \*

ii. Agency must implement a hardship policy.

**1w Alternate Income Inclusions/Exclusions (HCV).** Exclude student income over tuition. Exclude all wage income for household members age 20 and below. Count all wage income for household members 21 and older. Applies to all households.

### **Statutes and Regulations Waived**

Alternative Income Inclusions/Exclusions (HCV) - Certain provisions of sections 3(a)(1), 3(b)(4)-(5), and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.609, 5.611, and 982.516.

### **Safe Harbors**

1.v. and 1.w. i. Agency must exempt elderly and disabled individuals from this rent determination policy.

### **Requested Waiver and Explanation**

Total tenant payment request is **35 percent of household income using flexibilities under 1s, 1u, and 1w**, which is outside the Safe Harbor maximum of 32 percent. Total package of changes applies to **all households** instead of excluding elderly and disabled households, which is outside of Safe Harbor. HRHA plans to offset increases by raising the standard deduction for elderly/disabled households from \$400 to \$1,500 per month. Hardship policy is in place for households who face rent burden.

HRHA believes this total package of changes is necessary to achieve maximum staff efficiency and cost effectiveness under MTW flexibilities. The combination of changes encourages employment and self-sufficiency without significantly increasing overall costs for households. These simplifications make rent calculations more understandable for tenants. The changes save tenants' time and in many cases lower costs. Decreased staff paperwork allows more time to work with tenants, explore new projects, or participate in training in possible new areas or expanded services. Simplified paperwork also benefits landlords by determining household eligibility more quickly.

See Impact Analysis and Hardship Policy attached.

**MTW Safe Harbor Waiver Request**  
**Harrisonburg Redevelopment and Housing Authority – VA014**  
HRHA requests a Safe Harbor Waiver for the following MTW activity.

**2b Payment Standards – Fair Market Rent (HCV)**

**2. Payment Standards and Rent Reasonableness**

The agency is authorized to adopt and implement any reasonable policy to establish payment standards or rent reasonableness that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. For voucher activities, the Department has developed a standard rider to the HAP contract that reflects any MTW authorizations that amend the current requirements of the HAP contract.

**Statutes and Regulations Waived**

Payment Standards – Fair Market Rents (HCV- Tenant-Based Assistance) - Certain provisions of section 8(o)(1)(B) and 8(o)(13)(H) of the 1937 Act and 24 CFR 982.503-505 and 983.301.

**Safe Harbors**

- 2.b. i. Payment standard must be between 80% and 120% of the FMR.
- ii. Agency must implement an impact analysis. \*
- iii. Agency must implement a hardship policy. \*

**Requested Waiver and Explanation**

HRHA requests to increase payment standard from current 110 percent of FMR to 120 percent for 1BR units and to **140 percent for 1BR accessible units**. Increase to 140 percent is outside of Safe Harbor of 120 percent maximum but necessary as an incentive for landlords to accept vouchers for scarce 1BR accessible units in our tight housing market and to increase housing choice for tenants requiring these features. HRHA will determine if unit qualifies.

City population as well as tens of thousands of student renters attending James Madison University and Eastern Mennonite University both continue to increase. Adults 65 years and older represented 13 percent of Harrisonburg's overall population growth from 2010 to 2018. HRHA has more than 2,700 applicants on the waiting list for a Housing Choice Voucher. With 38 households currently searching for a 1BR unit, and 581 total households on the 1BR waiting list, this attempt to increase housing choice and number of accessible units by raising the payment standard is necessary in our tight rental market.

The City of Harrisonburg Comprehensive Housing Assessment and Market Study released in January 2021, reported the following information:

The rental vacancy rate is low at 2-3.5 percent, indicating a tight market with a low inventory. This creates high levels of competition within the market as renters compete for scarce units and where the lowest income households have the fewest options.

The most severe shortage of affordable housing is for households who earn 0-30 percent AMI. These extremely low-income households often spend more than 50 percent of their income on housing. Some of these households have fixed incomes and disabling conditions that make working difficult.

Only 10 percent of all units are affordable to 0-30 percent AMI households, most of which are larger units. Only 230 studio and one-bedroom units are affordable to these households, a critical unit type needed to meet the needs of 1-to-2-person and single-person households needing supportive housing.

The same housing study also showed that the demand for supportive housing units is estimated to be between 84 and 94 elderly households and between 445 and 509 non-elderly individuals. The majority of these units are required to meet the needs of persons with serious mental illness and intellectual or developmental disabilities.

Over the next five years, there is also a need for 126 PSH beds for persons experiencing chronic homelessness and trying to exit homelessness in the Western Virginia Continuum of Care, which covers a six county region from Harrisonburg to Winchester.

Households are protected by a hardship policy. See Impact Analysis and Hardship Policy attached.

## **MTW Safe Harbor Waiver Request**

### **Harrisonburg Redevelopment and Housing Authority – VA014**

HRHA requests a Safe Harbor Waiver for the following MTW activity.

#### **3b Alternative Reexamination Schedule for Households (HCV)**

### **3. Reexaminations**

The agency is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. The terms “low-income families” and “very low-income families” shall continue to be defined by reference to section 3(b)(2) of the 1937 Act. MTW agencies must continue to determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609.

### **Statutes and Regulations Waived**

Alternative Reexamination Schedule for Households (HCV) - Certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR 982.516 (a)(1) and 982.516(c)(2).

### **Safe Harbors**

3.a. and 3.b.

- i. Reexaminations must occur at least every three years.
- ii. The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more.
- iii. Agency must implement an impact analysis. \*
- iv. Agency must include a hardship policy. \*

### **Requested Waiver and Explanation**

HRHA requests to change to reexamination every three years with an interim decrease once per year if household has a **20 percent** or more decrease of gross income for household total income. The 20 percent decrease in income is outside the Safe Harbor allowance of 10 percent. HRHA offsets this difference through allowing households to keep any income increases until the next certification. In order to achieve cost effectiveness, HRHA needs most households to move to a triennial schedule. Requiring larger percentage decrease will reduce requests for interims. Requiring a larger income decrease for interims encourages employment and self-sufficiency. Allowing households to keep income gains until the next reexamination allows them to save for a rental deposit or homebuyer down payment, improving housing choice.

Households are protected by a hardship policy. See Impact Analysis and Hardship Policy attached.