

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 accessible units of all sizes**. 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 accessible units, particularly high demand 1BR units, in our tight housing market and to increase housing choice for tenants requiring these features. HRHA will determine if units qualify as accessible using the following criteria: a unit that is designed and built to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. HRHA will accept Type A or Type B units as classified within ANSI Section 1003 and ICC/*ANSI* A117.1, as amended.

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.