



Louisville Metro Housing Authority
June 17, 2014
Proposed Moving to Work (MTW) Activity: Rent Reform
Frequently Asked Questions

Question	Page
<i>1. What is the Moving To Work Demonstration Program?</i>	2
<i>2. What are MTW agencies permitted to do under MTW?</i>	2
<i>3. What is Rent Reform? What rent reform activities have other MTW agencies undertaken?</i>	2
<i>4. What is the Rent Reform Study?</i>	4
<i>5. What is the Housing Choice Voucher program?</i>	4
<i>6. What role does MDRC have in Rent Reform? What type of organization is MDRC? What is their experience?</i>	4
<i>7. Who will be affected by the MTW Rent Reform Activity?</i>	5
<i>8. What is the proposed alternative rent policy under the MTW Rent Reform Activity?</i>	6
<i>9. What are the advantages of the alternative rent policy for voucher holders?</i>	6
<i>10. Why was \$75 selected as the minimum rent amount for LMHA?</i>	6
<i>11. How will participating households be affected by the alternative rent policy?</i>	7
<i>12. How much rent would a family with no income pay under the new policy? What would happen if a family finds they cannot afford their rent as calculated under the new policy?</i>	8
<i>13. Is there a hardship policy to protect households that experience financial hardship or face an imminent threat of eviction for non-payment of rent or utilities shut-off?</i>	8
<i>14. Who did HUD consult with in development of the proposed Study?</i>	8
<i>15. Was the proposed Rent Reform Study reviewed by an Institutional Review Board (IRB)?</i>	9
<i>16. Why did other MTW public housing authorities decline to participate?</i>	9
<i>Attachment: Proposed Rent Reform hardship policy.</i>	10

1. *What is the Moving To Work Demonstration Program?*

Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides designated agencies the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. The Moving to Work (MTW) Demonstration was authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat 1321). MTW gives PHAs exemptions from many existing public housing and voucher rules and more flexibility with how they use their Federal funds. MTW PHAs are expected to use the opportunities presented by MTW to inform HUD about ways to better address local community needs.

MTW designation is a highly sought after designation and only high-performing public housing agencies have been allowed to apply for a limited number of program slots. There are 39 agencies currently authorized as MTW in the United States. LMHA's MTW status dates back to 1999, at the inception of the Moving to Work Demonstration, when the Housing Authority of Louisville (HAL) submitted an application and successfully competed for the designation. Merger of HAL and the Housing Authority of Jefferson County (HAJC) in 2003 resulted in the creation of the Louisville Metro Housing Authority, which retained the MTW status.

More information about MTW can be found at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/mtwsites

2. *What are MTW agencies permitted to do under MTW?*

PHAs selected for the demonstration are permitted to seek exemption from many existing Public Housing and Housing Choice Voucher (HCV) program rules found in the United States Housing Act of 1937 in pursuit of at least one of the three MTW statutory objectives:

- Reduce cost and achieve greater costs effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

PHAs in the MTW Demonstration also have the flexibility to combine Federal funds from the Public Housing Operating and Modernization programs and Housing Choice Voucher program into a "block grant" to help them better meet the purposes of the demonstration and the needs of their communities.

While MTW agencies have considerable flexibility, they must still abide by all other federal rules and regulations, including the Fair Housing Act, the Civil Rights Act, labor standards, environmental rules, procurement guidelines, demolition and disposition procedures and relocation regulations. For all activities that affect their residents' rent payments, PHAs must also conduct an impact analysis that recognizes the unforeseen circumstances that may affect their residents and develop an appropriate hardship policy. These safeguards help minimize any potentially negative impact of MTW on residents and communities.

3. *What is Rent Reform? What rent reform activities have other MTW agencies undertaken?*

Under their agreements with HUD, MTW housing authorities, like LMHA, are expected to design and test innovative approaches, including new rent policies, to administering and providing housing assistance. These new policies may establish payment standards, rents or subsidy levels

for voucher assistance that differ from the currently mandated program requirements in the 1937 Housing Act and its implementing regulations. MTW agencies are also authorized to adopt policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements; to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements; to develop a local process to determine rent reasonableness; and to implement time limits for HCV units (vouchers) designated as part of the MTW demonstration.

Other MTW housing agencies have instituted changes in their rent policies system-wide before testing them, and some MTW agencies have implemented changes to their rent policies that affect only a portion of the households served. Both types of change are permitted under MTW regulations.

Specific MTW rent reform policies vary widely by Housing Authority, however the policies can broadly be categorized as one of the following (which is not an exhaustive list of MTW policies):

- Minimum Rent - \$150 minimum rent (Lexington Housing Authority); and \$125 minimum rent (Atlanta Housing Authority, Housing Authority of San Bernardino).
- Maximum Rent - rents set at 35% of gross income for all MTW participants (Santa Clara Housing Authority); 40% maximum family share in the HCV program extended to include ongoing tenancy (Vancouver Housing Authority); and TTP set at 27.5% of gross income in year 1, then in year 3 TTP will be set at 29% of gross income or the \$100 minimum rent, and in year 5 the household TTP is set at 31% of gross income or the \$200 minimum rent, whichever is greater (Seattle Housing Authority).
- Changes to Annual Income: A Minimum Earned Income (MEI), based on 25 hours at a minimum wage job for 1 adult household (and 40 hours at current minimum wage for 2 adult household) adjusted by the amount of any actual earned income, is included in all households unless exempt (Lincoln Housing Authority).
- Alternative Recertification Schedule - Biennial recertification schedule for HCV participants (Chicago Housing Authority); and half of families receive a full review each year and the remaining half receive a simplified review (Vancouver Housing Authority).
- Flat or Tiered Rent Structure - A tiered subsidy schedule for voucher holders based on voucher bedroom size and family income (San Mateo County Housing Authority).
- Alternate Utility Allowance Policies - A single, simplified utility allowance schedule in the voucher program and utility allowance payment is limited to 6 month duration for voucher holders (Vancouver Housing Authority); and standard utility allowance per bedroom size in the HCV program (Lincoln Housing Authority).
- Modification/Elimination of Current Exclusions/Deductions – Elimination of the Earned Income Disregard in Public Housing (Charlotte Housing Authority, Alaska Housing Finance Corporation, others); local standard deductions for determining adjusted income (Atlanta Housing Authority); and exclude income of adult children (ages 18-21) (Lawrence Douglas County Housing Authority).

In addition, while not considered rent reform, MTW housing authorities may modify occupancy policies as part of an overall rent strategy. These types of changes include:

- Work Requirements – Housing Authority-wide work requirement applies to all non-elderly and non-disabled adults in all housing assistance programs (Atlanta Housing Authority).
- Economic Self-Sufficiency Initiatives – Households that receive public assistance or that report zero income must meet with PHA staff and develop a Family Development Action Plan (Philadelphia Housing Authority).

- Time Limits – Five-year time limit on residency in new public housing scattered site units (Louisville Metro Housing Authority).

4. *What is the Rent Reform Study?*

LMHA has been asked to participate in a national Rent Reform Study commissioned by the U.S. Department of Housing and Urban Development (HUD) that is being conducted at several Housing Choice Voucher (HCV) program sites across the country (Lexington, KY, San Antonio, TX, Washington, D.C.). HUD is conducting a rent reform demonstration program (the Study), designed to test and evaluate an alternative rent policy, implemented by several Moving to Work (MTW) public housing agencies (PHAs). The Louisville Metro Housing Authority (LMHA) has been requested to participate in the proposed study, and as such, may, with Board approval, modify its policies and rent calculations for a group of program participants (the Rent Reform Group), and will compare the outcomes to a group of program participants who are assisted under the rent policies used for all other PHA assisted households (the Control Group). Only households randomly assigned to the control group will be the comparison group.

While the current income-based system protects most tenants against excessively burdensome rents, it may also discourage efforts to increase earned income, and it is difficult and expensive to administer. A long-standing public policy goal has thus been to identify an alternative system that would be simpler and less expensive to administer and also encourage households to increase their employment rates and earnings and reduce their reliance on publicly funded housing subsidies.

The Study is being conducted by MDRC, a respected nonprofit, nonpartisan education and social policy research organization. The Study is a true scientific study with a random selection process, a control group, and in-depth data analysis. The Study was designed in full compliance with standards related to the ethical treatment of human subjects in research.

The Housing Authority believes that it is prudent to adopt this policy on a trial basis and to learn from a careful evaluation whether it achieves the benefits for tenants and the housing authority that are expected. Trying out the new policy in a pilot study before adopting it system-wide is a responsible way to execute the Housing Authority’s duties as a steward of public funds and as an agency that assists economically vulnerable families.

The Housing Authority also believes that Congress is likely to make changes in rent policies in the future. LMHA wants those reforms to be informed by strong evidence about what works, and what doesn’t work, because any national legislation will affect local families.

5. *What is the Housing Choice Voucher program?*

The Housing Choice Voucher (HCV) Program is one of the federal government's major programs for assisting very low-income families with children, as well as elderly and disabled persons, afford decent and safe housing in the private rental market. Housing Choice Vouchers are administered locally by public housing agencies with funding from the U.S. Department of Housing and Urban Development (HUD). The voucher is a housing subsidy paid directly to the landlord by the housing agency on behalf of the participating household. The household then pays the difference between the actual rent charged by the landlord and the amount of the subsidy (subject to income limits and rent reasonableness).

6. *What role does MDRC have in Rent Reform? What type of organization is MDRC?*

HUD commissioned MDRC and its partners to help HUD and local public housing authorities to design and to conduct a national evaluation of alternatives to the current rent structure in the

Housing Choice Voucher program. MDRC will also conduct a careful evaluation of the alternative policy.

Created in 1974 by the Ford Foundation and a group of federal agencies, MDRC is a nonprofit, nonpartisan education and social policy research organization dedicated to learning what works to improve programs and policies for low-income families. MDRC is best known for mounting large-scale demonstrations and evaluations of real-world policies and programs affecting low-income people.

MDRC has worked in nearly every state and most major cities, in Canada, and in the United Kingdom. MDRC is funded by government agencies and some 70 private, family, and corporate foundations. With a staff of more than 250 in New York City and Oakland, California, MDRC is engaged in close to 80 projects in five policy areas: Family Well-Being and Children's Development, K-12 Education, Young Adults and Postsecondary Education, Low-Wage Workers and Communities, and Health and Barriers to Employment.

More information on MDRC can be found at www.MDRC.org.

7. *Who will be affected by the MTW Rent Reform Activity?*

Work-able families that receive voucher assistance administered by LMHA and are not excluded (see list of excluded households below) may be affected by the proposed Rent Reform. One of HUD's main goals in commissioning the Rent Reform Demonstration is to determine whether the new rent rules will help voucher holders increase their earnings by allowing them to keep more of what they earn. Because many elderly and disabled households are not expected or able to work, HUD determined that the Demonstration should be limited to working-age, non-disabled households. The racial and ethnic composition of tenants will reflect the composition of the each participating housing authority's MTW HCV population.

As proposed, Study participants will be selected from among current Housing Choice Voucher participant families, using a random assignment methodology. Households will be selected for either the rent reform or control groups prior to their scheduled recertification interview. The following households will be excluded from the study:

- Vouchers not currently administered under the Moving to Work Program:
 - Veterans Affairs Supportive Housing
 - Moderate Rehabilitation
 - Shelter Plus Care
 - Enhanced Vouchers
- HUD Project Based Vouchers
- Vouchers administered under portability
- Elderly households
- Households headed by people older than 56 years of age (who will become seniors during the course of the long-term study)
- Disabled households: Head of Household, co-head, spouse or single member households with disability as defined in the Administrative Plan
- Households currently participating in the Family Self Sufficiency (FSS) Program
- Households participating in the Homeownership Program
- Households that contain a mix of eligible and non-eligible household members
- Households that receive case management and/or other supportive services through one of the Housing Authority's Moving to Work Special Referral programs

These vouchers were excluded for several reasons including that some do not fall under the MTW program.

As part of the Study, voucher holders that are eligible for the new policy will be randomly assigned either to a group that will have their rent portions calculated according to the new rules or a group that will continue to have their rents calculated under the existing rules. During the study period, households selected for the new rent policy cannot opt out of the policy, and households not selected for the alternative policy cannot opt into it. This is in keeping with the authority that Moving To Work housing agencies have as part of their Moving To Work agreement with HUD to test rent policies.

8. *What is the proposed alternative rent policy under the MTW Rent Reform Activity?*

The Study will test an alternative rent policy that includes:

- A revised formula to calculate tenant share of rent and utilities – 28% of gross annual income
- A triennial recertification procedure
- A minimum rent payment from tenants to owners of \$75
- A revised method of determining gross annual income
- Elimination of deductions and allowances
- Disregarding asset income of household assets valued below \$25,000
- A limited number of interim recertifications per household per year
- A revised methodology for determining tenant rent to owner
- A simplified utility allowance schedule
- A hardship policy to protect tenants from excessive rent burden

9. *What are the advantages of the alternative rent policy for voucher holders?*

The new rent policy does not require anyone to work or to increase their earnings. It does not include a work requirement. However, with time, many voucher holders will go to work. Under the new policy, those who do so, as well as those who are already working and are able to increase their earnings, will get to keep more of their earnings because, in contrast to current rules, their portion of the rent will not increase during three years until their next triennial income recertification. Normally, when tenants earnings increase, their portion of their rent goes up. This will not happen under the new rent policy during the three years between recertifications.

10. *Why was \$75 selected as the minimum rent amount at LMHA?*

Current HUD rules, under the 1998 housing law, allow housing agencies to institute a \$50 minimum rent (i.e., a minimum TTP). The inflation-adjusted value of that amount today is roughly \$75. Some MTW housing authorities have instituted minimum rents as high as \$150. The \$100 option was considered because it was a mid-point in the range embraced by housing experts who have differing views on the level of an appropriate minimum rent. Furthermore, a \$100 minimum rent would be approximately 9% of the monthly earnings of a full-time (35 hours/week) minimum wage job.

However, LMHA has responded to the concerns stated during the Public Comment period and has reduced the minimum rent to \$75, which is the lowest minimum rent being tested among the Rent Reform Study sites. This amount represents approximately 7% of the monthly earnings of a full-time minimum wage job.

Recognizing that for some families a minimum rent of even \$75 could cause serious financial hardship, such families may qualify for a hardship waiver of the minimum rent, allowing them to

pay less than the minimum. For example, a household with an income of \$250 per month or less would be eligible for a waiver of the minimum rent, and a family with no income would likely pay no rent under the new policy.

11. *How will participating households be affected by the alternative rent policy?*

For all MTW activities that affect residents' rent payments, housing authorities must also conduct an impact analysis that recognizes the unforeseen circumstances that may affect their residents and develop an appropriate hardship policy. These safeguards help minimize any potentially negative impact of MTW on residents and communities. Based on the MDRC prepared impact analysis, LMHA anticipates the new rent policy the Housing Authority will implement as part of the Rent Reform Study will be advantageous for most tenants who are randomly assigned to it.

Overall, the findings illustrate that when a household changes its work status – e.g., when tenants who are not working go to work, or those who are working part-time get full-time jobs, or when working tenants attain wage increases – net household income will improve more under the new rent policy than under traditional rent rules. This is achieved primarily by holding TTP constant in the face of earnings gains during the three-year period before the next triennial recertification.

The advantages of the new rules will be smaller for households who, in order to go to work or to work more, need external child care subsidies but cannot get them. The absence of child care deductions under the new rules will offset some of the benefit of holding TTP constant in the face of earnings gains for some families unless other child care arrangements can be found. Of course, many families who need but cannot get external child care subsidies have difficulty working even under traditional rent rules because the existing child care deductions are only an income deduction and do not fully cover child care costs. Thus, some families may not work under either rent policy because, if they had to pay for child care out of pocket, it would not pay to work.

It is also important to note that households who do not work at all may be somewhat worse off under the new rules if they become subject to the minimum rent and do not qualify for a hardship policy (i.e., do not report their hardship to the housing authority between triennial recertifications). In addition, working tenants who do not increase their hours of work or wage levels (e.g., they remain working part-time or full-time at a constant wage) will experience little, if any, gain – or loss – in net income under the new rules relative to traditional rules. This is because their TTPs will remain constant over time, even under traditional rules.

A full impact analysis is available in LMHA's draft FY 2015 Annual Moving To Work Plan which can be found at:
http://www.lmha1.org/about_lmha/docs/FY_15_Annual_MTW_Plan_LMHA_draft_for_public_comment_20140613.pdf

12. *How much rent would a family with no income pay under the new policy? What would happen if a family finds they cannot afford their rent as calculated under the new policy?*

A family with no income would likely pay no rent under the new policy. A household with an income of \$250 per month or less would immediately be eligible for a waiver of the minimum rent. MTW housing authorities that implement rent reform are required to establish a hardship policy that defines circumstances under which households may be exempted or temporarily waived from the new rent determination rules. The Rent Reform activity includes a hardship policy designed by LMHA with input from local advocates to provide rent relief to households that are facing financial hardship or an imminent threat of eviction for non-payment of rent or utilities shut-off. The complete hardship policy is attached to this FAQ.

13. Is there a hardship policy to protect households that experience financial hardship or face an imminent threat of eviction for non-payment of rent or utilities shut-off?

Yes. Households that experience financial hardship or face imminent threat of eviction would qualify for a hardship waiver and an expedited review process. The expedited review process is being developed with input from local housing professionals, advocates and service providers.

Under the new policy, hardship exists in the following circumstances:

- a. The hardship cannot be remedied by the one interim recertification permitted each year; or
- b. The household is an income level or experiences a loss of income and/or a total tenant payment increase such that its total tenant payment exceeds 40% of its current monthly gross income; or
- c. The household faces risk of eviction for non-payment of rent – including utility shut-offs for non-payment of utility bills that could lead to eviction; or
- d. Other circumstances as determined by the Housing Authority.

Hardship remedies may include:

- a. Allowing an additional interim recertification beyond the normal one-per-year option. This could lower household's total tenant payment (but only as low at the \$75 minimum rent) until the next triennial recertification.
- b. Setting the household's total tenant payment at the minimum rent for up to 180 days.
- c. Setting the household's total tenant payment below the minimum rent, at 28 percent of current income, for up to 180 days.
- d. Waiving the minimum rent entirely for 180 days.
- e. A specific time frame for the "temporary" total tenant payment or minimum rent may be established for longer than 180 days based on specific circumstances. However, the time frame will never go pass the triennial recertification date.
1. Any combination of the above remedies.

The complete hardship policy is attached to this FAQ.

14. Who did HUD consult with in development of the proposed Study?

The Rent Reform Demonstration was informed by prior research that included feedback from over 1200 subsidized tenants and waiting list members across 175 PHAs. Below is a summary of the "Study of Rents and Rent Flexibility" commissioned by HUD:

"The [HUD] study also examines how PHAs use their existing flexibility to set rents. All PHAs have the flexibility to set a minimum rent of up to \$50, establish optional flat rents for their public housing developments, and set the payment standard in the HCV program. The 33[sic] PHAs in the Moving to Work (MTW) demonstration have broader flexibility in establishing rent policies than the other PHAs. Their experiences are also included.

To address these topics, the study drew on information from previous research, analyses of secondary and administrative data, and analyses of data collected specifically for the study. The new data come from in-person interviews with staff during site visits to 25 PHAs, a telephone survey of PHA staff from 175 PHAs, and more than 1,200 interviews with persons living in public housing, using a voucher, or on the waiting list for such assistance."

For the Study, the planning team met with MTW agencies and public housing professionals to develop the initial framework of the alternative rent policy. The MDRC planning team reviewed

drafts of the proposed Rent Reform plan with housing advocates at the Center for Budget and Policy Priorities and received substantial feedback. The team made a variety of modifications in the plan in response to that feedback. The draft plan was also shared with the National Low-Income Housing Coalition.

15. *Was the proposed Rent Reform Study reviewed by an Institutional Review Board (IRB)?*

The research strategy was reviewed by MDRC's Institutional Review Board (IRB) as well as by HUD officials to ensure compliance with the federal Privacy Act and standard guidelines for protecting human subjects. Families who object to their data being shared with external researchers in an identifiable way will be allowed to opt out of that part of the Study. However, people in the Rent Reform Group do not have an option of choosing a rent policy. This is because, under MTW, tenants do not select their rent policies.

Furthermore, MTW housing authorities are expected to develop alternative policies and test their effect under the MTW authorizing legislation. The MTW statute requires agencies to prepare a plan to establish a reasonable rent policy designed to encourage employment and self-sufficiency by participating families.

16. *Why did other MTW public housing authorities decline to participate?*

Moving To Work (MTW) housing authorities, like LMHA, are required to do rent reform. Most MTW agencies have been MTW for at least 6 years (HUD executed the Standard MTW Agreement with 29 agencies in 2008), with other housing authorities having participated since 1999, and over the course of their participation in the demonstration the housing authorities have implemented various rent reforms. HUD asked that MTW agencies yet to implement major rent reforms consider participation in the demonstration study. In addition to LMHA, Lexington Housing Authority, San Antonio Housing Authority and the Housing Authority of the District of Columbia, about 5 other agencies were considered to participate in the Study. Of these, several agencies declined in order to pursue other Moving To Work activities; another agency decided to pursue a housing initiative under HUD's Rental Assistance Demonstration (RAD); another public housing authority withdrew from the rent reform in order to implement an alternative rent policy, under MTW, based on 35% of gross income or a \$50 minimum rent, whichever is greater, and also eliminated utility allowances; and another PHA wanted to implement a MTW rent reform initiative on an expedited schedule that was feasible under the Study.

Louisville Metro Housing Authority Administrative Plan Addendum Rent Reform Study

| 10

calculate the household total tenant payment. The change in subsidy for new voucher bedroom size will be implemented when the current lease ends and new lease begins.

A reexamination due to change in household composition, will not count against the limit on reexaminations.

B. Change of unit. Households seeking to move to a new unit will submit a request for move pursuant to current procedures. However, unless the request for move is due to a change in household composition, the Housing Authority will not request income information or recalculate total tenant payment until the sooner of the next scheduled triennial certification or tenant requested interim certification to reset total tenant payment. The Housing Authority will apply the appropriate utility allowance, to the household at the new lease effective date.

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the Louisville Metro Housing Authority will take timely action to process the interim reexamination and recalculate the family share.

Rent Reform Group participants will be allowed one interim reexamination per year to recalculate their total tenant payment. One year is defined as twelve months from the effective date of the certification. The household's total tenant payment will only be recalculated if the household experiences a reduction of income of more than 10% of the household's retrospective income.

At the interim certification, the Housing Authority will re-calculate the household's total tenant payment based on a new retrospective income review. The total tenant payment will be the greater of 1) 28% gross income or 2) the minimum rent. The new total tenant payment will remain in effect until the sooner of the next triennial certification; or a hardship exemption is granted.

If the limit on interim certification presents a financial hardship, the household can apply for a Hardship Exemption.

NEW SECTION: 30.0 HARDSHIP WAIVERS FOR RENT REFORM GROUP PARTICIPANTS

30.1 FINANCIAL HARDSHIP

A financial hardship may exist when the household cannot pay the minimum rent or has an excessive rent burden.

Louisville Metro Housing Authority Administrative Plan Addendum Rent Reform Study

| 11

1. A hardship exists in the following circumstances:
 - a. The hardship cannot be remedied by the one interim recertification permitted each year (which cannot reduce a household's total tenant payment below the minimum rent); or
 - b. The household is at an income level or experiences a loss of income and/or a total tenant payment increase such that its total tenant payment exceeds 40 percent of its current/anticipated monthly gross income. The current/anticipated income will include imputed income in the same manner as current calculations; or
 - c. The household faces risk of eviction for non-payment of rent – including utility shut-offs for non-payment of utility bills that could lead to eviction; or
 - d. Other circumstances as determined by the Housing Authority.
2. Hardship waiver request. The family may use the hardship waiver procedure to request a hardship review. The process for requesting a review will be as follows:
 1. A household must initiate a request for a hardship review, by completing and submitting a written hardship waiver request to a Louisville Metro Housing Authority Housing Specialist.
 2. The household must supply information and documentation that supports a hardship claim with their written request. For example, a household must provide proof of the following: loss of eligibility for a federal state, or local assistance program; loss of employment or reduction in work hours; or the incapacitation or death of an income-earning household member and amount of lost income.
 - i. If a household claims zero income as part of its hardship waiver request, it must provide a detailed accounting of funds used to cover basic costs of living (food, personal/family care necessities, etc.). This information must be provided every 180 days.
 - ii. To request hardship based on the risk of eviction for non-payment of rent or utilities, a household must provide the Housing Authority a copy of written 7-day eviction notice from the owner of non-payment of rent and the owner's intent to terminate the household's tenancy, or a notice from a utilities company warning of a utilities shut-off. Tenant must promptly

Louisville Metro Housing Authority Administrative Plan Addendum Rent Reform Study

| 12

deliver the 7-day eviction notice from the owner well in advance of a scheduled court date for eviction proceedings.

3. Hardship review process. Generally, the administrative review of the household circumstances will be conducted by the Housing Authority according to current case file review processes.

For hardship claims related to imminent risk of eviction (for non-payment of rent or utility bills), the Housing Authority will conduct an expedited hearing process.

Hardship remedies. The Housing Authority will review the case, and if the Housing Authority determines a hardship exists, a hardship remedy will be applied.

No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated.

Appeals. The family may use the informal hearing procedure to appeal the Housing Authority's determination regarding the hardship.

Record keeping. The Louisville Metro Housing Authority will complete all information regarding the request for Hardship and the outcome in the system of record for tracking Hardship requests.

4. Hardship remedies. The Hardship remedies may include any of the following:
 - a. Allowing an additional interim recertification beyond the normal one-per-year option. This could lower household's total tenant payment (but only as low as the \$75 minimum rent) until the next triennial recertification.
 - b. Setting the household's total tenant payment at the minimum rent for up to 180 days.
 - c. Setting the household's total tenant payment below the minimum rent, at 28 percent of current income, for up to 180 days.
 - d. Waiving the minimum rent entirely for 180 days.
 - e. A specific time frame for the "temporary" total tenant payment or minimum rent may be established for longer than 180 days based on specific circumstances. However, the time frame will never go pass the triennial recertification date.
 - f. Any combination of the above remedies.

Louisville Metro Housing Authority
Administrative Plan Addendum
Rent Reform Study

| 13

During the 180-day period when the total tenant payment is reduced, the housing authority will increase its payment to the owner to cover the portion of the rent previously paid by the tenant directly to the owner, and it will notify the owner of the change and the time period of the increased payments.

Limitations. Hardship remedies are subject to the following limitations:

- a. The tenant portion of the rent payments will not be suspended prior to a hardship designation.
 - b. Remedies will not affect any rent attributable to a gross rent that exceeds the applicable payment standard.
 - c. Opting out of the alternative rent policy is not a remedy option.
5. End of hardship waiver period.
- a. If the hardship continues, the household may submit a request for an extension of the hardship remedy. However, the time frame will never go past the triennial recertification date.
 - b. At the end of the hardship waiver period, the household's previous total tenant payment, but not less than the minimum rent, will be reinstated.