

MTW Supplement Amendment Request to Waive Safe Harbor

The Harrisburg Housing Authority (HHA) is requesting to waive the safe harbor requirement for the MTW Supplement Waiver 1.v., Alternative Income Inclusions/Exclusions (PH), so that elderly and disabled public housing program participants can benefit from the approved income exclusion policy waiver.

The waiver as stated in the MTW Operations notice :

1.v. Alternative Income Inclusions/Exclusions (PH) – The agency may establish alternative policies to include or exclude certain forms of participant income during the income review and rent calculation process.

The waivers implementing regulations are as stated in the Operations Notice:

Alternative Income Inclusions/Exclusions (PH) – Certain provisions of sections 3(a)(1) and 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.609, 5.611, 960.253, 960.255, and 960.257.

HHA in the January 2023 approved MTW Supplement provided in its narrative to this waiver the following use for the waiver:

HHA will use this waiver to establish alternative policies to exclude certain forms of participant income during the income review and rent calculation process. The exclusions that HHA plans to implement will help promote individual self-sufficiency for those program participants that work in the qualified professions/occupations. Moreover, the qualified professions/occupations are readily available in the area and are highly beneficial to the community's growth, health and well-being. With the goal of the exclusion being to help program participants in the qualified professions/occupations move towards financial independence and, eventually, not need subsidized housing, the Safe Harbor waiver will not adversely affect elderly and disabled public housing program participants if the waiver is granted because all public housing program participants that qualify under this exclusion waiver pay a rent amount calculated at 40 hours a week at the Federal minimum wage, and will not include income that would be equivalent to any imputed income. Furthermore, the exclusion will terminate once the actual public housing program participant's income is equal to 80% area-median income (AMI) or more. The exclusion will have a 3 year term that will run concurrently with the earned income disallowance, if they qualify for both. Once the exclusion is triggered the public housing program participant has a one time 3 year time frame for the exclusion to be used.

The following inclusions or exclusions will be eliminated, modified, or added.

Any public housing program participant, i.e., a public housing resident, who works for the government, in the health care industry, as a first responder, or as a government-certified educator, will have their income that is counted towards their rent calculation capped at 40 hours a week at the Federal minimum wage. Any money earned above that dollar amount will be excluded up until their income puts them at 80% of the AMI therefore no longer qualify for public housing. Exclusions will only last 3 years. The exclusion can run concurrently to the Earned Income Disallowance and then continue for one year if the public housing participant qualifies for both at the beginning of his/her employment.

The Safe Harbor HHA is requesting to be waived states as follows:

1.v.

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

The Safe Harbor Waiver Request:

HHA is requesting a waiver of the Safe Harbor so that qualified elderly and disabled public housing program participants can benefit from the income exclusion. As stated in the above waiver narrative approved in the 2023 MTW Supplement, HHA is only requesting an income exclusion, and therefore qualification for the waiver is a benefit financially for the public housing program participant. The particular use of the waiver is to encourage program participants (i.e., HHA residents) to work in jobs that are known to be available in the local area and, by their nature, also provide a significant public and community benefit. By allowing the

safe harbor as articulated in the operations notice to stand, any elderly or disabled individuals who works in a qualifying job, that could have income excluded, would not benefit from HHA's articulated use of the waiver.

Impact Analysis:

Financial Impact:

The cost implications of this waiver are that the HHA will lose some revenue from individuals who qualify for the waiver. However, if the incentive encourages more households to work, including the elderly and disabled public housing program participants, this could cause a net increase in revenue if, overall, more households are working and not at a zero income or imputed income.

Affordability of Housing Costs for Families

For those who qualify for the waiver this will allow the qualified public housing program participant to pay a lower rent than they would if the income exclusion did not apply to them, therefore making housing costs more affordable.

Agency Waitlist

HHA does not predict that this waiver will have much of an affect on the HHA's waitlist, but instead could encourage low-income individuals working in qualifying jobs to apply for HHA public housing.

Agency's Termination Rate of Families

HHA predicts that the termination rate for families will decline. Allowing public housing program participants 3 years to save extra income and benefit from a lower rent should decrease the number of "failure to pay rent" terminations.

Impact on MTW goals of cost effectiveness, self-sufficiency and housing choice

This MTW waiver will have an impact on all three of the MTW goals. The exclusion allows housing to be more cost effective for the qualified public housing program participant and it encourages them gainful employment in qualified professions/occupations. This serves to benefit the qualified public housing program participant and the HHA because it increases the likelihood of rents being timely paid. Moreover, the waiver should encourage public housing program participants to obtain and retain the qualified employment for at least 3 years while they benefit from the ability to save, progress in the workforce and become increasingly more self-sufficiency. Moreover, with continued work experience, the opportunity for the participant to move up in the work force to higher wages will increase their ability to broaden their housing choices.

Impact on meeting MTW Statutory requirements

- Ensure 75% of households are very low-income
 - This waiver should not have an impact on meeting the 75% very low-income requirement, as it will not change the threshold income requirement to qualify for public housing.
- Establish a reasonable rent policy that encourages employment and self-sufficiency
 - This waiver will encourage employment and self sufficiency by motivating tenants to get employment within the professions that allow for the income exclusion.
- Continue to assist substantially the same total number of eligible low-income households
 - This waiver should not have an impact on this number.
- Continue to assist a comparable mix of households by family size
 - This waiver should not have an impact on this requirement.
- Meet Housing Quality Standard requirements
 - This waiver should not have an impact on this requirement.

Rate of Hardship Requests Granted or Denied

Because this waiver does not cause a hardship and only provides a benefit, there is not a Hardship requirement.

Impact on protected classes and any disparate impact

If the Safe Harbor waiver is not accepted, then this MTW waiver would have a disparate impact on disabled and elderly public housing program participants that are working in jobs that should otherwise qualify for the exemption. HHA predicts that other protected classes should not suffer a disparate impact due to the application of this Safe Harbor waiver.