

YHA MTW Hardship Policy

YHA has created a hardship policy for when a requirement or provision of certain MTW activities constitutes a financial or other hardship for an YHA household. YHA will review its hardship policy with clients during the intake and recertification processes. The resident must sign and submit consent forms for obtaining information requested by the PHA necessary to consider if a resident qualifies for a hardship exemption. The agency will also consider if a client qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity. When a client requests a hardship exemption from an MTW activity included in this policy, YHA will suspend the activity for the household beginning the next month after the request until YHA has determined if the request is warranted. Hardship information will be retained by YHA for the duration of YHA's participation in the MTW demonstration program.

Hardship Policy: 1.u. Standard Deductions (HCV)

Households must apply for all hardship types with the exception of automatic hardships given at the time of the triennial recertification. Hardships may last less than the timeframe listed below if a hardship time period overlaps with a triennial recertification. Approval will be for the following reasons only.

Automatic Hardships:

These hardships may be granted at the time of the triennial recertification for the following reasons.

1. A qualifying household's current gross income is at or exceeds an amount that is 10 percent less than their retrospective (prior actual 12-months) income.
2. YHA will provide medical and disability expense deductions to those households who successfully claim a hardship or grievance. Medical and disability expenses total more than the dollar equivalent of 15 percent of a qualifying household's gross annual income used for TTP purposes for each elderly/disabled household that demonstrates and certifies that their medical expenses exceed at least three percent of their gross income and have previously provided (or provide in the first year that this medical expense deduction is allowed), documentation of medical appointments, insurance premiums, prescriptions, and other medical bills that are out-of-pocket expenses not covered by their insurance. In other words, if an elderly/disabled household claims and qualifies for a medical and disability expense deduction and provides any/all of the documentation in the categories below that exceeds 3 percent of a qualifying household's gross annual income, YHA will provide the full amount of their **actual** medical and disability expense deduction as documented minus three percent of their gross annual income. Eligible expenses include:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

Other Hardships:

- Awaiting approval for benefit income
- Such other situations and factors as determined by the agency to be appropriate, such as eviction, or termination of utilities.

Other circumstances: A household may request a hardship exemption for other circumstances not outlined in this policy, such as the death of a family member that impacts the family's finances. YHA will consider these requests and appropriate remedies on a case-by-case basis and decisions will be made by a staff member at the supervisor level or higher.

Long Term Hardship:

1. Death of a household member.

Requesting A Hardship:

To request a hardship, the participant/resident must complete a Hardship Request form and attach the household's current income and proof of hardship. The form will be made available in an accessible format upon request as a reasonable accommodation. Current proof of all income for all current household members will be required. The request will be reviewed and the household notified of the approval or denial in a timely manner.

YHA will determine whether an approved hardship exists within 30 days after the request is received. Hardship requests may be denied for the following reasons:

- Failure to provide verification for loss or reduction of benefit income
- Failure to provide verification for eligibility of benefit income
- Failure to provide verification of increased expenses
- Family is not subject to eviction, utility shut off, or wage garnishment
- Failure to provide supporting documentation related to loss of income due to death in the family

The hardship request will be denied if the form is not accompanied by documentation of the hardship and/or the request does not meet the above criteria. In the case of hardship denials, the household will be sent a denial letter stating why they did not qualify. Prior to the expiration of the hardship, the household will be notified of their rent portion set at their last triennial recertification or new admission. Households may request a renewal of their hardship. The

request will be treated as a new hardship request and undergo a new determination with current income.

If a household is approved for a hardship, and subsequently experiences another adverse event while still in hardship status, they may request an additional hardship. The request will be treated as a new hardship request and undergo a new determination with current income. There is no limit on the number of hardships that a household may receive. If a household is approved for a hardship, they are not required to report subsequent income increases during the period of their approved hardship.

Grievance Procedure:

If a client disagrees with a hardship determination, they will follow YHA's informal hearing process outlined in the Administrative Plan.

A family may request for second level review of denied hardship requests, which will be conducted by a staff member at the supervisor level or higher. The household must request a grievance review within and including ten (10) business days of the decision to deny or limit their hardship request.

If the request does not meet YHA hardship standards outlined above, YHA will resume the MTW activity. If the request meets the hardship standards outlined above, the agency will continue to provide an exemption from the MTW activity until the next reexamination. If a client requests an additional hardship following the expiration of a previous hardship (or for a hardship renewal), the request will be treated as a new hardship request and undergo a new determination based on current income and information.

Exemption Period:

If YHA determines that a financial or other hardship exists, the family will receive exemption from the MTW activity as stated below. The MTW activity will resume after expiration of the exemption period.

- 210 days for loss of benefits such as, but not limited to, Social Security (SS), SS Disability, SSI, Workman's Compensation, and other income as determined in 24 CFR 5.609(b) and (c) (4)(7)(8).
- 180 days for temporary reduction of benefits such as, but not limited to, Social Security (SS), SS Disability, SSI, Workman's Compensation, and other income as determined in 24 CFR 5.609(b) and (c) (4)(7)(8).
- 150 days for loss of income due to death by head, spouse, or co-head
- 90 days for increased expenses
- 60 days for break in approval of benefit income
- 30 days for all other circumstances

Activity: 3.b. Alternative Reexamination Schedule for Households (HCV)

YHA will move to a triennial reexamination schedule for some elderly and disabled households. If a household meets the following three criteria, it will be enrolled in triennial reexaminations.

- the head of household, co-head, and/or spouse is elderly or disabled,
- the only current income in the household is fixed income (e.g., social security, pension), and
- there are no minors in the household.

If a household is enrolled in triennial reexaminations and no longer meets these criteria, they will return to annual reexaminations.

At their annual lease anniversary, YHA will automatically apply the applicable Cost-of-Living Adjustments for fixed-income households based on the source of fixed-income, where fixed income households will also be given an opportunity to certify their medical and/or disability expenses and provide proof of changes in those amounts if applicable.

Households may continue to request interim reexaminations due to a decrease in income and/or increases in eligible expenses. Applicable households will be able to file one interim reexaminations for decreases in income and/or increases in eligible expenses. YHA must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10 percent or more. YHA must conduct an interim reexamination of family income when it becomes aware that the family's adjusted income has changed by an amount that it estimates will result in an increase of ten percent or more in annual adjusted income or such other amount established by HUD through notice, except YHA may not consider any increase in the earned income of the family when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction at their request because of any changes in income since the last examination during the certification period; and YHA may choose not to conduct an interim reexamination in the last three months of a certification period. In other words, YHAs may not consider a family's increases in earned income for the purposes of an interim reexamination unless the family had previously undergone an interim reexamination during the year for any decrease in income. If the family has undergone an interim reexamination for a decrease in income after the completion of the last reexamination, YHA also has discretion regarding whether or not to count increases in earned income when estimating or calculating whether the family's adjusted income has increased. In determining the income for any family, YHA may make other adjustments as it considers appropriate to reflect current income, taking into consideration any redetermination of income during such prior year(s).

If a household believes they have another circumstance that qualifies as a financial hardship, they may request a hardship.

Triennial reexaminations for these households are expected to begin with reexaminations effective July 1, 2023. When triennial reexaminations begin for these current households, all newly admitted households who meet the above criteria will also be enrolled in triennial

reexaminations.

This schedule will also include only reviewing the EIV at the triennial recertification rather than annually and implementing a release form that is valid for 45 months. In addition, households on a triennial recertification schedule will not utilize the Income Validation Tool (IVT) Report as this reporting requirement is not consistent with the triennial reporting of income and will create an administrative burden that does not assist in the establishment of the level of subsidy the family receives and will increase administrative burden of YHA staff. Unreported income requires no change or rent correction for triennial tiered rent households unless it occurs before their last reexamination, so the IVT Report will not provide any needed information that cannot be gathered from the EIV. YHA staff will continue to monitor the EIV at households' triennial reexaminations to ensure the proper reporting of income.

Hardship Standard

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship.

Approval will be for the following reasons only:

- A qualifying household's current gross income is at or exceeds an amount that is 10 percent less than their retrospective (prior actual 12-months) income.
- A qualifying household's including medical expenses and/or disability-related expenses exceeds the amount of YHA's expense deduction for such household.
- Awaiting approval for benefit income
- Such other situations and factors as determined by the agency to be appropriate, such as eviction, or termination of utilities.

Grievance Procedure

YHA will determine whether an approved hardship exists within 30 days after the request is received.

If the request does not meet YHA hardship standards outlined above, YHA will resume the MTW activity and collect any retroactive rent, if applicable, through a reasonable repayment agreement.

If the request meets the hardship standards outlined above, the agency will continue to provide an exemption from the MTW activity for 12 months or until the next triennial reexamination.

If a client requests an additional hardship following the expiration of a previous hardship (or for a hardship renewal), the request will be treated as a new hardship request and undergo a new determination based on current income and information.

If a client disagrees with a hardship determination, they will follow YHA's informal hearing process outlined in the Administrative Plan.

A family may request for second level review of denied hardship requests. The family must submit a request must be in writing within 30 days the of the PHA written notice. Hardship request may be denied for the following reasons:

1. Failure to provide verification for loss or reduction of benefit income
2. Failure to provide verification for eligibility of benefit income
3. Failure to provide verification of increased expenses
4. Family is not subject to eviction, utility shut off, or wage garnishment
5. Failure to submit verification for decrease or loss of employment
6. Failure to provide supporting documentation related to loss of income due to death in the family

Exemption Period

If YHA determines that a financial or other hardship exists, the family will receive exemption from the MTW activity as stated below. The MTW activity will resume after expiration of the exemption period.

1. 210 days for loss of benefits such as, but not limited to, Social Security (SS), SS Disability, SSI, Workman's Compensation, and other income as determined in 24 CFR 5.609(b) and (c) (4)(7)(8).
2. 180 days for temporary reduction of benefits such as, but not limited to, Social Security (SS), SS Disability, SSI, Workman's Compensation, and other income as determined in 24 CFR 5.609(b) and (c) (4)(7)(8).
3. 150 days for loss of income due to death by head, spouse, or co-head
4. 90 days for increased expenses
5. 60 days for break in approval of benefit income
6. 30 days for all other circumstances

Activity: 2.a. - Payment Standards – Small Area Fair Market Rents (FMR) (HCV)

In order to qualify for a hardship exemption, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe YHA any money or is current with a re-payment agreement.
3. The household must be admitted to the program prior to July 1, 2023.
4. The household has not relocated on or after July 1, 2023.
5. The household must experience an increase of 5 percent or more in rent as a direct result of the MTW rent reform initiatives.
6. The household must request the hardship waiver within 10 business days from the date of the letter notifying them of change and giving the timeline in which to request an Informal Hearing or hardship review.
7. The household has not received a rent reform hardship relief for the Payment Standards application at interim recertification previously.

Hardship relief for households who qualify and receive wavier approval may pay their portion of rent based on the calculation under HUD regulations until their next reexamination / recertification or relocation. At the next reexamination / recertification, or relocation, whichever comes first, the household will automatically be subject to the payment standards set by YHA at that time.

Each household is only eligible for one term of relief for the payment standards initiative.

Activity: 10.c. Alternative Family Selection Procedures (HCV)

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Activity: 10.e. Policies for Addressing Increases in Family Income (HCV)

All households participating in an MTW eligible program may submit a hardship exemption request.

Households may qualify for a hardship exemption if one of the following criteria is met:

1. Households may qualify for a hardship exemption if the total shelter costs exceed 50 percent of the gross monthly income used to determine household's rent and subsidy.

Total shelter costs are defined as rent and utilities paid by the household.

While all households qualify to request a hardship exemption, generally those having the following criteria will not qualify for an exemption:

- a. Amount of subsidy reduction for mixed families
- b. Additional amount a household has chosen to pay above the payment standard for an HCV assisted unit.

Households receiving zero assistance may not qualify to receive a rent reduction even if the circumstances that qualified them for an automatic phase-in continue. However, if the household experiences a change in circumstances that would result in a HAP payment to owner within the 180-day period, the continuing phase-in hardship and rent reduction will be reviewed at that time.

Applying for a Hardship Exemption

All hardship exemption requests must be made in writing and submitted to YHA's office. Requests must be received by the 15th of each month to be eligible for a revised rent effective on the first of the next month. Hardship exemption requests / adjustments will not be retroactive.

Only hardships expected to last longer than 90 calendar days will be considered.

Households applying for a hardship exemption are strongly encouraged to include the following documents / verifications with their request, as applicable:

- For households who have recently lost earned income – proof of application for unemployment;
- For households with children – proof of application for TANF and / or child support;
- Proof of application through WorkSource;
- Proof of application / participation in one of the PHA's self-sufficiency programs;
- Proof of application for low-income energy assistance through an external community agency.

Determination of Hardship Exemptions

A hardship committee with representatives from the YHA staff will review hardship requests on a monthly basis. The committee has the authorization to implement an agreed upon exemption remedy. If the committee cannot reach consensus regarding a hardship request, the majority vote will rule.

The committee will consider each household's circumstances on a case-by-case basis. The committee will have a menu of remedies to reduce a qualifying household's rent burden. These choices may include, but are not limited to, the following:

- Set tenant rent to \$0 for a specific period of time. This option would not include a utility reimbursement to the family.
- Extend a utility reimbursement for a specific period of time.
- Cap total shelter costs to not exceed 50 percent of gross monthly income or other appropriate percentage for a specific period of time.
- Reduce the amount of tenant rent.

- Remove minimum tenant rent for a specific period of time.
- A household's rent amount may result in a credit or utility reimbursement payment however the amount the households receive will never be more than the utility allowance for their unit.
- Any combination of the above remedies.

The hardship exemptions will be granted to eligible households for a minimum of 3 months and a maximum of 12 months. Households may apply for another exemption once their exemption expires.

In cases when the committee recommends denial of a hardship request, the Director or Assistant Director of Rent Assistance or designee will make the final determination. In extraordinary cases, the hardship committee may make a final recommendation to the Director or Assistant Director of Rent Assistance who will have final approval when circumstances call for a deviation from hardship policy.

Notice of Hardship Exemption or Denial of Exemption

In cases when the committee grants a hardship exemption, the PHA will notify the owner and the family of the effective date, the new HAP payment and tenant rent, and the expiration date of the exemption.

If the hardship exemption is denied, the family will be notified of a decision in writing within 15 business days of the determination.