



August 15, 2014

By email only

Karen Harris
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Re: Comments to Proposed Rulemaking – Rent Reform Demonstration Program

Dear Ms. Harris:

We are writing to submit formal comments on the Notice of Proposed Rulemaking published on July 18, 2014 on the Rent Reform Demonstration Program (“Demonstration”). We appreciate this opportunity to continue our dialogue with DCHA on these important regulations, as well as DCHA’s efforts to date to hear and respond to our concerns.

We know that DCHA is committed to “do no harm” in implementing this program, a commitment that we know Director Todman and all DCHA staff share. Nonetheless, we remain seriously concerned about the potential impacts of the Demonstration on our client community, and particularly on those families with no or very limited income. Our comments principally focus on additional steps DCHA could take to ensure that these families are not adversely impacted by the Demonstration.

This letter addresses overarching concerns we have with the minimum rent requirement, the hardship waiver policy, the initial and interim recertification calculations for families, and the risk of termination. Attached is a redlined version of the proposed regulations. For the most part, this redline does not address our global comments but instead focuses on other technical suggestions.

Minimum Rent Should Be Set at a Lower Amount

We are concerned that the minimum rent amount of \$75 will impose a serious hardship for many of the participants chosen for the Demonstration. While we have concerns about a minimum rent in any amount – something which DCHA has avoided to date despite minimum

rent policies adopted by many other jurisdictions – if DCHA must implement such a policy, then we suggest a lower amount of \$25 per month.¹

The effects of a minimum rent policy will be most dramatic for those families with no or little income. Overnight, these participants could face a dramatic and unrealistic rent burden, putting them at risk of eviction. This concern is borne out by some of the data provided by DCHA in its Moving to Work Plan Amendment. For example, 77 percent of the households that will pay higher rent under the Demonstration currently have no earned income. Given that disabled and elderly households are excluded, it is likely many of these families rely solely on TANF income in amounts as low as \$270 per month (or less if sanctions are in place). For participants with such limited income, paying even \$75 per month presents a real hardship. For families with no current income – 14.9 percent of those who will see a rent increase – the rent burden of \$75 per month likely is insurmountable.

We understand from our prior discussions that DCHA negotiated this minimum rent figure with HUD and other PHAs, and ultimately may not be able to change this figure. If the minimum rent remains set at \$75 per month, then it will be vital for the hardship waiver policy to be strong enough to prevent harm to numerous affected families. The first protection that participants facing a steep rent increase have under the Demonstration is the initial 6-month grace period and temporary TTP. But for those families with no or consistently low income, this protection will not help; they will need to rely solely on the hardship waiver. Even for those families that receive the benefit of the initial grace period, many will need to fall back on the hardship waiver process after the temporary TTP expires.

Because the hardship waiver is critical to these and other families, it must be accessible, quick, effective, and sufficiently robust to protect vulnerable families. In addition to the suggestions noted below, DCHA should:

- Ensure that participants are fully informed about the hardship waiver policy, including when it applies and how to access it;
- Train DCHA staff to be proactive in offering the hardship waiver to participants at all contact points, including the recertification appointment itself, walk-in appointments, and telephone contacts with DCHA;
- Provide a simple and accessible form for requesting a hardship waiver, and make DCHA staff available to help participants complete the form; and
- Ensure that the system for reviewing and responding to requests for hardship waivers will be efficient and deliver timely responses.

¹ Although Moving to Work allows DCHA to establish a higher amount, we note that public housing and the Voucher Program ordinarily are limited to a minimum rent of \$50, while other section 8 programs are limited to \$25. *See* 24 C.F.R. § 5.630(a).

The Hardship Policy Should Be Strengthened

1) Change the Timing of Hardship Waiver Requests

Several timing issues in the hardship waiver regulations could be changed to provide stronger protections for families. First, the regulations specify that a rent adjustment under a hardship waiver will be effective on the first of the month following approval. *See* 14 D.C.M.R. § 9118.7(a). Instead, we ask that DCHA make the change effective on the first of the month following *submission* of the hardship waiver request. This would do two things: 1) treat hardship waivers similar to interim recertification changes, which are parallel in other respects; and 2) ensure that if a hardship waiver is granted through the independent review process following an initial denial, the requesting family receives the full benefit of the policy. Otherwise the relief offered to the family through the granting of a hardship waiver may be too late to avert a crisis.

A second concern relating to timing is that the regulations seem to require a participant to initiate a hardship waiver request within 30 days of the circumstances giving rise to a hardship. *Id.* § 9118.2(a).² This 30-day time limit makes some sense when the tenant comes in after receiving a formal notice from the landlord such as a 30-day Notice to Cure or Vacate or a Complaint. Even in those circumstances, we note that it does no harm to DCHA to allow a tenant to come in later in the process. Because any rent adjustment will not be retroactive to the hardship circumstance but instead will be based on when the request is made, it only harms the participant to wait. This financial harm is incentive enough for timely reporting; it is unduly harsh to bar a participant who misses the 30-day deadline from applying at all.

The 30-day deadline also is unduly limiting in other circumstances: for example, when a participant seeks a hardship based on an accruing rent balance, a loss of assistance or significant loss of income, or disability, incapacitation, illness, or death of a family member. In these circumstances, it is reasonable to expect that some participants will find a way to get by for a month or two before realizing that they face an emergency and should apply for a hardship waiver. Again, because only the participant is harmed by this delay, we see no reason to establish a complete bar to a hardship waiver based on timing.

Eliminating the 30-day deadline also would be consistent with the treatment of interim recertifications, which offer a parallel circumstance. When a participant does not timely report a decrease in income, DCHA nonetheless is obligated to process the change. The participant pays the price for his or her delay by only receiving the resulting decrease in rent for the next month. We believe a similar approach to hardship waivers makes sense and avoids unduly restricting the availability of the waivers.

A final concern related to timing is the regulations' requirement that a participant wait until a hardship waiver expires before requesting an extension. *Id.* § 9118.8(a). If the expiration date is approaching and the family faces the same or similar circumstances, then making the family wait to request an extension simply ensures at least one month of burdensome rent that

² The language of the regulation is not clear on this point. If this is not DCHA's intent, then we suggest revising the regulation to clarify this point.

may not be paid. Instead, the regulations should allow a family to apply within 30 days before the expiration of the prior hardship waiver or thereafter, similar to the approach taken with regard to expiration of the initial grace period. *Id.* § 9118.1.

2) Allow an Informal Hearing When a Hardship Waiver Is Denied, or Specify the Independent Review Process

The new regulations specify that when a hardship waiver is denied, the requesting participant may request an independent review by the Director of the Housing Choice Program or his/her designee. *Id.* § 9118.3(c). We understand that DCHA has chosen for policy reasons not to allow participants to utilize the informal hearing process to challenge the denial of a hardship waiver. We believe this is a mistake. For all of the reasons detailed above, it is crucial that the hardship waiver process provide robust protections for participants in the Demonstration. An independent review – which provides less process and opportunity for the participant to be heard – is not the ideal process for correcting any mistakes.

If DCHA opts to limit review to this new procedure, it should at least spell out the applicable rights of participants in this process. The regulations should touch on the major issues addressed by the informal hearing regulations, such as:

- The timing and procedures for a participant to submit a request for review;
- The right of the participant to submit evidence in support of the request;
- The right of the participant to review and obtain a copy of documents or evidence in the possession of DCHA;
- The timing for DCHA to respond to a request;
- The requirements for what information or factual determinations DCHA must include in its final decision.

Initial Certifications and Interim Recertifications Should Be Based on Current Household Income

Under the proposed regulations, the initial certification for families entering the Demonstration will be based on average income over a 12-month retrospective “look-back” period. *Id.* § 9103.1(a). For families that have recently experienced a significant drop in income, this 12-month look-back methodology may produce a rent calculation far above what the family currently can afford. We have serious concerns about this change from using current household income as the baseline.

While we appreciate that some safeguards are in place, we do not see the logic of calculating rent based on income that, in some cases, both the participant and DCHA know to be out-of-date and inaccurate. Because this change is brand new and the family will not be aware of it until it enters the initial certification process, the change will not have impacted the family’s past behavior. Applying the 12-month look-back methodology at the initial certification also

does not save DCHA administrative resources. If anything, determining past income over a 12-month period will be more onerous than focusing solely on current income.

If DCHA cannot change the methodology used at the initial certification, we suggest that you increase the initial grace period and temporary TTP for qualifying families from 6 months to 12 months, or at the very least provide an automatic 6-month extension if the family's income circumstances have not substantially improved.

The rent reform regulations state the family will qualify for an interim recertification when it "has a reduction of income of 10% or more from the retrospective income used to calculate their TTP." *Id.* § 9114.3(a). While it is not clear from this language, our understanding is that DCHA will only process an interim recertification if the household's *current retrospective income* – using a 12-month look-back period – has decreased by at least 10 percent.

The better approach would be to compare *current/anticipated* income and prior retrospective income. Because retrospective income involves an averaging over 12 months, a family could experience a substantial immediate drop in current income and still not have a drop in current retrospective income. For example, assume gross family income has been \$1,000 per month for 12 months, and then a loss of a job or reduction in work hours suddenly drops the family income to \$100 per month. Prior retrospective income is \$1,000. *Current* income is now 90% below prior retrospective income. However, *current retrospective* income is \$925, not quite a 10% drop. The family would have to wait an additional month before their *current retrospective* income would have fallen more than 10%. Where the income drop is not as severe but still substantial, the waiting period would be even longer. For example, a family that went from \$1,000 to \$500 per month, an immediate loss of 50%, would have to wait three months before their *current retrospective* income fell more than 10%.

Similar concerns are raised by DCHA's approach in recalculating household income and TTP when a household member leaves or passes away. The regulations state that if the removal of a household member causes retrospective income to drop by more than 10 percent, then the TTP will be reset. *Id.* § 9111.3. It is our understanding that DCHA intends to perform this calculation with the former household member's income included. As with the approach to interim recertification generally, this may cause a significant delay in when the family will be able to demonstrate the drop in income, as well as when the family will be entitled to a reset TTP more in line with current/anticipated household income.

We simply do not understand the logic of this approach. In particular, there are several circumstances – for example, death of a family member, removal of a family member due to domestic violence or incarceration – where the remaining household members have little or no control over this loss of income. These changes in life circumstances too often may cause a downward spiral that ends with failure to pay bills, eviction, and even loss of the voucher itself. We see no reason for DCHA to pile on to this crisis by refusing to account fully for the resulting loss of income. Instead, we propose clarifying that when a household member is removed and an interim recertification is requested, DCHA will remove any income attributable to the former household member before performing its calculations.

DCHA Should Clarify That Families Will Not Be Terminated Based on New Rent Burdens Under the Demonstration

In our meetings to date, we have heard a strong commitment from DCHA not to terminate any family based on an inability to pay a new, higher rent under the Demonstration. This commitment belongs in the regulations, either in a separate section addressing termination or in the preamble section 9100, which discusses the purpose of the Demonstration. Of course, we hope no family will be in a position of facing possible termination because of the effects of the program. If the hardship waiver policy is sufficiently robust, then families who are struggling should receive accommodations that will allow them to stay current in their rent and in compliance with their leases. But for those families who do fall through the cracks and fall behind on their rent, it is important that DCHA help address the crisis – by implementing hardship waivers, helping the family find assistance for back rent and so on – rather than adding to it with a termination notice.

We suggest adding the following language as section 9100.1(g):

To ensure that no family is unduly impacted by the alternative rent policies, DCHA will exercise its discretion to avoid issuing a recommendation for termination for any reason relating to a study group family's failure to pay a new, higher rent.

The Risk of Perverse Incentives

We understand that one of the overarching goals of the Demonstration is to encourage families that can work to do so. Unfortunately, the elimination of the child care and dependent deductions may create the opposite incentive for some families with young children.

The MTW Plan Amendment illustrates this problem in the analysis of different scenarios involving single mothers with children. “Maria” is a single mother with a one-year-old child. Under the new rent reform rules, there are several scenarios in which Maria’s incentive to go back to work is significantly higher under the current rules than the rent reform rules. If Maria needs a child care subsidy – whether or not she receives one – she is better off under the current rules compared to the rent reform rules. This holds regardless of whether she is working full-time for \$16 per hour, working full-time for \$8 per hour, or not working at all. The rent reform rules provide a better incentive for Maria only in the limited scenario where she is working and does not need a child care subsidy. Presumably, single mothers who do not need child care – because a family member or friend can provide such care for free, for example – already have a powerful incentive to work under the existing rules. Even if Maria does not need a child care subsidy and works full-time for \$8 per hour, her net income will be only 4% higher under the new rules compared to the current rules.

We point this out only to note that the elimination of child care and dependent allowances may be particularly problematic in terms of encouraging families with young children to find work. DCHA should consider whether there are any other changes that could be made to the Demonstration to improve incentives for work in this situation.

* * *

We appreciate this opportunity to comment on the proposed regulations for the Rent Reform Demonstration Program. We would be happy to meet with you again to discuss these comments in greater detail. If you have any questions or concerns, please let us know.

Sincerely,



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9100

PROGRAM PURPOSE

9100.1

The United States Department of Housing and Urban Development (HUD) is conducting the Moving to Work (MTW) Housing Choice Voucher Program Rent Reform Demonstration program (Rent Reform Demonstration or Program), designed to implement and evaluate an alternative rent policy, implemented by several MTW agencies. DCHA has been selected to participate in the study, and as such, will modify its policies and rent calculations for a group of program participants (study group), and will compare the results to a group of program participants who are assisted under the rent policies used for all other DCHA assisted households (control group). The HUD Rent Reform Demonstration Program is designed to implement and study an alternative strategy to standard HUD operating rules for HCVP. The proposed alternative rent policies will include the following five key features:

- (a) Simplify income determination and rent calculation of the household's Total Tenant Payment (TTP) and subsidy amount by:
 - 1. Eliminating deductions and allowances,
 - 2. Changing the percent of income used to calculate the total tenant payment from 30% of adjusted income to a maximum of 28% of gross income,
 - 3. Ignoring income from assets when the asset value is less than \$25,000, and
 - 4. Using retrospective income, *i.e.*, 12-month "look-back" period and, in some cases, current/anticipated income in estimating a household's TTP and subsidy.
- (b) Conduct triennial income recertification rather than biennial recertification with provisions for interim recertification and hardship waivers if income decreases.
- (c) Streamline interim certifications to eliminate income review for most household composition changes and moves to new units.
- (d) Require that the family rent to owner is the greater of 28% of gross monthly income less any applicable utility allowance or at least the minimum rent of \$75.
- (e) Simplify the policy for determining utility allowances.

- (f) Additionally, the program will offer appropriate hardship protections to prevent any participant in the study group from being unduly impacted as discussed in Section 9118.

9101 SELECTION OF STUDY GROUP AND CONTROL GROUP

9101.1 Program participants will be selected from among current HCVP participant families, using a random assignment methodology. Households will be selected for either the ~~experimental~~ study or control groups prior to their scheduled regular recertification interview.

9101.2 The following households will be excluded from the study:

- (a) Elderly as defined in this chapter
- (b) Disabled
- (c) Project Based Voucher
- (d) VASH (Veteran’s Administration Supportive Vouchers) Voucher
- (e) Enhanced Voucher
- (f) Moderate Rehabilitation/Single Room Occupancy (SRO)
- (g) Family Self-Sufficiency (FSS) program participants
- (h) Households exercising the portability option
- (i) Households who end participation in the HCVP program (either voluntarily or involuntarily)
- (j) Mixed households of eligible and non-eligible household members

9102 ENROLLMENT

9102.1 Once a participant is enrolled in the study group and has begun receiving assistance using the alternative rent policy, the following regularly scheduled events shall occur:

- (a) Triennial recertification, at which time income is calculated and total tenant payment and family rent to owner are determined,

- (b) Interim recertifications, limited to no more than one participant initiated interim per year except in the case of a hardship waiver.

9102.2 At initial enrollment, the household may be provided with a temporary Total Tenant Payment, pursuant to Section 9110.

9103 ANNUAL INCOME

9103.1 For the purposes of determining all forms of income for families participating in the program, DCHA shall follow HUD requirements to verify income, but will calculate and treat gross annual income as follows:

- (a) To establish annual gross income for the three year certification period, DCHA will review the total household income without deductions for the twelve-month period prior to recertification, *i.e.*, the “retrospective income.” The household’s TTP will depend on its retrospective income during a 12 month “look back” period.
- (b) If, at the initial enrollment/ recertification, the household’s current/ anticipated income is less than its retrospective income by more than 10%, a “temporary” TTP based on current income alone will be set for a six month grace period.
- (c) If, at the initial triennial certification only (this is a one-time reduction for a household), the childcare expense exceeds \$200 per month, the gross income will be reduced by a deduction of reasonable childcare costs above the \$200 per month, to create a “temporary” TTP for a six month grace period. After the grace period, the TTP will revert to the amount based upon the previously determined average retrospective income.
- (d) Income recalculations will be initiated by DCHA only triennially.
- (e) If the household reports a decrease in income or a change in household composition that requires a recalculation of the family’s share of rent, the annual income can be recalculated once per year pursuant to Section 9113.

9104 UTILITY PAYMENTS AND REIMBURSEMENTS

9104.1 DCHA, under its MTW Authority, established its “Simplified Utility Allowance Schedule.” The calculation of the Utility Allowance and Reimbursements shall be in accordance with Sections 5311 and 5322 of Title 14, pursuant to DCHA Moving To Work authority.

9104.2 If, when the utility allowance is subtracted from the household’s TTP, the family rent to owner is lower than the minimum rent of \$75; the utility allowance will be

partially reimbursed to the family through a deposit on the utility reimbursement debit card provided by DCHA. The amount of the deposit on the utility reimbursement debit card shall be the total utility allowance minus the difference between the TTP and the minimum rent of \$75. Under these circumstances the family will be responsible to pay the owner \$75 rent each month.

9105 APPLYING UTILITY ALLOWANCES

9105.1 A DCHA-established utility allowance schedule is used in determining Family Share and HAP. DCHA shall use the appropriate utility for the lesser of the dwelling unit actually leased by a family or the voucher unit size for which the Family qualifies using DCHA subsidy standards.

9105.2 When utility schedules are updated to reflect rate changes, utility allowances (and UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households: (1) face a contract rent change, (2) have their TTPs recalculated during interim or triennial recertifications, (3) move to new units, **or** (4) have a change in household composition requiring a change in voucher size.

9106 UTILITY ALLOWANCES

| 9106.1 Pursuant to 14 DCMR Section 5311, the allowances are based on actual rates and average consumption estimates, not on a family's energy consumption.

9106.2 The utility allowance is applied as follows:

- (a) as a reduction in the family's portion of rent;
- (b) as a subsidy allowance to the family through the use of a utility debit card;
 or
- (c) in some cases, both.

9106.3 When the family's TTP minus the utility allowance plus any amount of gross rent above the payment standard exceeds the minimum rent of \$75, the utility allowance is given as a reduction in TTP.

9106.4 If, when the utility allowance is subtracted from the family's TTP, the family rent to owner is less than the minimum rent of \$75, the family is required to pay the minimum rent of \$75, and the utility allowance will be partially provided to the family through the use of a utility debit card. The amount of the deposit on the utility reimbursement debit card shall be the total utility allowance minus the difference between the TTP and the minimum rent of \$75.

9107 ADJUSTED INCOME AND DETERMINATION OF RENT

- 9107.1 The alternative rent policy does not use adjusted income to calculate rent and Housing Assistance Payment (HAP); therefore there are no deductions or allowances applied to the gross income calculated in accordance with Section 5306, and with the following exception:
- (a) As provided under Subsection 9103.1 at the initial triennial recertification only, households whose child care expenses exceed \$200 a month, gross income is reduced temporarily (for 6 months), by the amount of reasonable childcare costs above the \$200 per month.

9108 OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

- 9108.1 In order to calculate family rent to owner for the Rent Reform Demonstration, DCHA shall calculate annual income and the TTP pursuant to Section 9107, but will require the family rent to owner to be at least 28% of gross income less any applicable utility allowance, or the minimum rent of \$75, whichever amount is greater.
- 9108.2 DCHA has established a hardship policy that will provide relief to families experiencing hardship in paying their rent. The hardship policy is described in Section 9118.

9109 DCHA'S HOUSING ASSISTANCE PAYMENT

- 9109.1 DCHA shall pay a monthly HAP for a family that is equal to the lower of the applicable payment standard or the gross rent, minus the greater of the family's TTP less any applicable utility allowance or the minimum rent of \$75.
- 9109.2 If a Family chooses a unit with a gross rent that exceeds DCHA's applicable payment standard, the family rent to owner will include the amount by which the gross rent exceeds the payment standard.
- 9109.3 At initial occupancy, DCHA may not approve the tenancy if it would require the family share to exceed forty percent (40%) of the family's gross monthly income.

9110 DELAYED FAMILY SHARE AT INITIAL CERTIFICATION UNDER THE RENT REFORM DEMONSTRATION

- 9110.1 To help protect households from unreasonable increases in TTP when the alternative rent policy is implemented, the following safeguards will apply:
- (a) When a household's anticipated monthly income for the coming year is substantially lower (*i.e.*, by more than 10 percent) than its retrospective monthly income for the past year, a "temporary" TTP based on the anticipated income (or the minimum rent, whichever is higher) will be set for a six-month "grace period." This grace period will only apply, at the beginning of the three-year period and at any subsequent triennial

recertifications.

- (b) At the end of the six-month grace period, unless the household qualifies for an interim recertification (see below), the temporary TTP will expire, and the household will be switched automatically to the “regular” TTP amount that was previously determined based on retrospective income. No interim is required or offered.
- (c) If, however, at the end of the grace period, the household has not fully restored its income to the original retrospective gross income level, the household may request and will be granted an interim recertification interview. The new 12-month look-back period for that interim recertification (counting back from the end of the grace period) will take into account the more recent period of lower income. The new TTP calculated at this interim will apply until the next triennial recertification, unless an intervening interim recertification is required or the family receives a lower TTP as part of a hardship waiver.
- (d) If this interim recertification (after the grace period) results in a new TTP that is higher than the grace-period temporary TTP, the Family may qualify for a hardship waiver pursuant to Section 9118.
- (e) If a working-age/non-disabled household that is enrolled in the Rent Reform Demonstration subsequently becomes a fixed-income household due to disability by the time of its next triennial recertification, its new TTP will be based on its fixed current/anticipated gross income.

9111 CHANGES IN FAMILY SHARE AND HOUSING ASSISTANCE PAYMENTS

- 9111.1 Households are not required to report changes in income during the three-year period between recertifications; however, they must report changes in household composition. This includes both additions and removals of members (including the death of any member) to the household, so that DCHA may determine continued eligibility for housing assistance.
- 9111.2 Unless the addition or change in members results in a required change in the voucher bedroom size, no income information will be requested.
- 9111.3 If the removal of a household member results in a decrease in income, the household may request an interim certification to reset the TTP. If the loss of income causes the household’s retrospective income to drop by more than 10 percent of its previously established retrospective income level, the TTP shall be reset.
- 9111.4 If the addition or removal of a household member results in a change in the

appropriate voucher bedroom size, DCHA will review the income of the new or removed member only, apply the appropriate utility allowance for the bedroom size and will reset the TTP. If there is a reduction in subsidy or increase in family share, DCHA will automatically grant a one-time hardship for six months to allow the Family to move to an affordable unit.

9112 TRIENNIAL RECERTIFICATION OF INCOME

9112.1 Families shall be required to provide information on household income, assets valued at \$25,000 or more and family composition triennially (every three years).

9112.2 Triennial recertification for midmonth move-ins (*e.g.*, September 15th) shall be conducted no later than ~~the third following year~~ by the first of the move-in month (*e.g.*, September 1) in the third following year.

9112.3 When families move to another dwelling unit, the family will not be required to complete an interim recertification unless the household composition has changed and the family member who was added or removed had income counted in the last triennial recertification. The family rent to owner will be the TTP calculated using the family's most recent interim or scheduled recertification, together with the utility allowance and contract rent applicable to the new dwelling unit.

9113 RECERTIFICATION NOTICE TO THE FAMILY

9113.1 In accordance with Subsection 5313.1, DCHA shall maintain a recertification tracking system that shall ensure that at least one hundred fifty (150) days in advance of the scheduled triennial recertification effective date, the Head of Household shall be notified by mail that she or he is required to attend a recertification interview on a specified date, or rearrange a date in advance, if the scheduled date is unacceptable. The notice shall tell the participant which documents to bring. Except for the timing of the recertification appointment, all other procedures required by Sections 5313 and 5805 will be followed.

9114 INTERIM RECERTIFICATIONS

9114.1 Interim recertifications in the Rent Reform Demonstration are limited in frequency and scope.

9114.2 Families are not required to report increases in income between triennial recertifications.

9114.3 Family's may request and receive an interim reduction in rent:

- (a) When their income falls, households may request, an interim recertification of their income. An interim will be conducted only when a household has a reduction in income of 10% or more from the

retrospective income used to calculate their TTP.

- (b) DCHA will re-calculate the household TTP based on a new retrospective income to determine the greater of 28% of gross income or the minimum rent of \$75. This new TTP will remain in effect until the next triennial certification unless an interim recertification is required or the family receives a lower TTP as part of a hardship waiver.
- (c) The household may request and receive one interim recertification per year, unless an additional interim recertification is granted as part of a hardship waiver.

9114.4 Households are required to report changes in household composition within thirty (30) calendar days of the change in household composition.

9114.5 Households seeking to move to a new unit will not be required to complete an interim review of income and have TTP recalculated, unless the move is the result of a change in household composition and voucher size (as described above), or when the tenant requests an interim due to a decrease in income. If an interim recertification is not conducted, then the family rent to owner will be calculated using the family's most recent interim or scheduled recertification TTP, together with the utility allowance and contract rent applicable to the new dwelling unit.

9114.6 When the utility allowance schedule is updated to reflect rate changes, utility allowances and utility allowance payments (UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households:

- (a) Experience a change in unit rent; or
- (b) Recertify and the TTP is recalculated during interim or triennial; or
- (c) Move to a new units; or
- (d) Change the household composition and qualify for a different voucher size.

9114.7 DCHA will conduct a third party verification every ninety days for those families who report zero income and initiate an interim recertification.

9115 ASSETS

9115.1 Households will not be required to report the value or income from assets that are valued at less than \$25,000, but will be required to certify that their combined asset value is under \$25,000. This income will not be included in the income calculated to determine TTP. If a household has assets that are \$25,000 or more,

they will be required to report this information, and the income from assets will be calculated.

9116 FAMILY MOVES

9116.1 Family moves for participants (Control and Study Group) who are in the MTW Rent Reform Demonstration shall be governed by this chapter only.

9116.2 DCHA shall not approve requests to move a Family more than once in a twelve (12) month period unless one of the following exceptions applies:

- (a) A ~~victim~~-survivor or Family seeks to move under the protections enumerated in the VAWA;
- (b) DCHA terminates the HAP contract with the owner;
- (c) The move is necessary to grant a request for a reasonable accommodation;
- (d) A transfer voucher is granted as part of a hardship waiver; or
- (e) DCHA has determined, in its sole discretion, that one or more of the following emergency situations applies:
 - (1) There is a creditable threat of domestic violence or need for witness protection in connection with the Household that may be mitigated by a move;
 - (2) There are serious unresolved Housing Quality Standard landlord violations in the Participant Household's existing leased unit;
 - (3) Other emergency factors acceptable to DCHA have been identified by the Participant Household.

9116.3 Families may only request a Voucher transfer briefing if the Family:

- (a) Has lived in their unit for at least a year;
- (b) Has not been terminated or is not currently being recommended for termination;
- (c) Is in good standing with the lease in the current unit (no outstanding rent or tenant-responsible utility bills); and
- (d) Does not have any current tenant-caused HQs violations in their existing unit.

9116.4 If the request is timely and granted, a Family shall receive no more than two (2) transfer vouchers and two (2) transfer briefings between every triennial recertification.

| 9116.5 Notwithstanding Sections 9116.2, 9116.3, and 9116.4, Families shall be issued a transfer voucher as an emergency if one (1) or more of the following conditions apply:

- (a) The Family has demonstrated a need based on the protections for victims of intrafamily violence as explained in Section 4907 of Title 14;
- (b) DCHA has terminated the HAP contract with the Family's landlord;
- (c) The Owner has initiated eviction proceedings against the Family;
- (d) Emergency Transfer was granted after request from the Office of the Attorney General or the United States Attorney's Office as a matter of safety;
- (e) If DCHA determines the family voucher size is too large, and the Family is not within the first year of tenancy; or
- (f) The family has been granted a transfer voucher as part of a hardship waiver.

9116.6 Transfer Vouchers.

- (a) For a Family that qualifies for a move under this section, the Participant Household shall be offered a Transfer Voucher to search for another unit.
- (b) The Transfer Voucher shall expire at the earlier of 180 days from the date of its issuance, or the date DCHA has terminated the Housing Assistance Contract on the Family existing unit with notice to the Household,
- (c) Any denial or refusal to issue a Transfer Voucher shall be issued in writing and state the reasons for such denial, including the specific nature of any denial due to any violation of Family Obligations or failure to be in good standing.

9116.7 Processing the Move. After issuance of a Transfer Voucher, if the Family locates a dwelling unit it wishes to lease, it shall be processed by DCHA as a new lease-up, including the following:

- (a) Provision of a lease-up packet when the Transfer Voucher is issued;
- (b) Inspection of the new unit for compliance with HQS; and

- (c) Approval of the lease-up lease package, including the lease and the lease terms including the gross rent and the contract rent subject to a rent reasonableness determination.

9116.8 Failure to Relocate. After a Transfer Voucher is issued, if the Family does not locate a new dwelling unit to move to:

- (a) The Family may continue on where it is currently leasing, provided that:
 - (1) The Family has not yet given notice to terminate their lease to the owner; or
 - (2) The Family has delivered to the owner a notice rescinding the earlier termination notice with a copy of such notice simultaneously delivered to DCHA; and
 - (3) The HAP Contract has not otherwise been terminated by DCHA.
- (b) The Family is not required to provide new lease-up or other documents to DCHA and the owner shall continue to receive Housing Assistance Payments as if the Participant had never requested the Transfer Voucher.
- (c) The Family's prior Total Tenant Payment continues in effect.

9116.9 Future Moves. If a Family decides to move at a future date while the Transfer Voucher is still in effect, or upon obtaining another Transfer Voucher, the Family is required to:

- (a) Give the Owner notice as provided under the lease or otherwise by mutual consent with the Owner permitting termination of the existing lease; or
- (b) If the Transfer Voucher has expired, the Family is required to request a Transfer Voucher under the conditions identified in Subsection 9116.3.

9117 PORTABILITY PROCEDURES

9117.1 If, at the time of their triennial certification, households report that they are interested in exercising their portability option to move to another jurisdiction, they will be referred to the appropriate receiving PHA, and will not be included in the rent reform study. Another family will be selected to replace the household porting out.

9118 HARDSHIP WAIVER POLICY

9118.1

A Family may request a Hardship waiver at any time if the family can demonstrate one of the following circumstances listed below. If the family receives a temporary TTP during the initial grace period, then the family may request a hardship waiver within 15 days before the expiration of the initial grace period or thereafter.

- (a) After the effective date of ~~a new~~ the TTP, the new TTP has put or will put the Family at imminent risk of eviction as a result of non-payment of rent, and the hardship cannot be remedied by the one interim recertification permitted each year (which cannot reduce a household's TTP below the minimum level);
- (b) The Family is at an income level or experiences a loss of income and/or a TTP increase such that its total monthly TTP exceeds 40 percent of its current monthly gross income. Any amount by which the gross rent exceeds the payment standard must be paid by the family and is not used in determining this 40% rent burden. The gross income will include imputed income in the same manner as current calculations;
- (c) Zero household income;
- (d) Loss of eligibility for a federal state, or local assistance program which reduces the Family income such that the total monthly TTP exceeds 40 percent of its current monthly gross income;
- (e) Temporary or permanent disability, incapacitation or illness, or death of a household member, which reduces the Family income such that the total monthly TTP exceeds 40 percent of its current monthly gross income; or
- (f) Significant income loss because of other changed circumstances, including the loss of employment, reduction in work hours or pay, or loss of public benefits.
- (g) Other circumstances as determined by DCHA.

9118.2

The process for requesting a Hardship Waiver is as follows:

- (a) The Head of Household must initiate a request for a Hardship Waiver by completing and submitting a written hardship request to the Housing Choice Voucher Program ~~within 30 days of a Notice to Cure or Vacate or a Complaint for possession of the unit received showing an eviction risk (or negative impact on the Family);~~
- (b) The Head of 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, reduction in work hours, or loss of federal, state or local assistance; or the temporary or permanent disability, incapacitation or illness, or death of a household member and amount of lost income;

- (c) If the Head of Household claims zero household income as part of its hardship request, it must provide a detailed accounting of funds used to cover basic costs of living (food, personal/family care necessities, etc.);
- (d) To receive hardship based on the risk of eviction for non-payment of rent, a household must provide a copy of a rent ledger showing an accruing balance, a notice from the landlord, a 30 day Notice to Vacate or Cure, or a Summons and Complaint from the landlord for non-payment of rent, or any other proof acceptable to DCHA;
- (e) To receive hardship based on the risk of utility shut-off, a household must provide a copy of a shut-off notice, a recent bill from the utility company showing an accruing balance, a notice from the landlord, or any other proof acceptable to DCHA.

9118.3 The Hardship Review Process is as follows:

- (a) DCHA will review the Hardship Request in accordance with this section and provide written notice to the Head of Household within ten (10) business days of its decision to grant the Hardship requests;
- (b) DCHA will complete all information regarding the request for Hardship and the outcome in the Head of Household file;
- (c) Where a hardship waiver is denied, the household may request an independent review of DCHA's denial to the Director of the Housing Choice Program or his/her designee.
- (d) For hardship claims related to imminent risk of eviction or utility shut-off, DCHA will conduct an expedited independent review.

9118.4 At the sole discretion of DCHA, 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 TTP, which includes lowering the minimum rent until the next triennial recertification;
- (b) Setting the household's TTP below the minimum, at 28 percent of current income, for up to 180 days;

- (c) Offering a “transfer voucher” to support a move to a more affordable unit (including a unit with lower utility expenses); or
- (d) Any combination of the above remedies.

9118.5 During the 180 day period when the TTP is reduced, DCHA will recalculate the subsidy payment based on the reduced TTP. DCHA will notify the Landlord and the Head of Household of the change in subsidy payment.

9118.6 In addition to the remedy or remedies offered, the Head of Household may be referred to federal, state or local assistance programs to apply for assistance, or to obtain verification that they are ineligible to receive benefits.

9118.7 The Hardship remedies are subject to the following limitations:

- (a) The new Family rent to owner will be effective on the 1st of the following month after ~~approval~~ submission of the request;
- (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.

9118.8 Expiration of the Hardship Waiver Period:

- (a) If the family receives a hardship waiver and the Family’s hardship continues, then the family may within 15 days before the expiration of the initial grace period or thereafter ~~If after the 180 day Hardship period expires and the Family’s hardship continues, the Family may submit a request for an extension of the hardship remedy. However, the hardship waiver will never go past the triennial recertification date;~~
- (b) At the end of the hardship waiver period, the household’s regular TTP will be reinstated.

9999 DEFINITIONS

Control Group – HCVP participants who are randomly selected for the program, but have their vouchers administered pursuant to the existing DCHA HCVP Administrative Plan. These families will be followed for the entire length of the program and their progress toward self-sufficiency will be compared to the study group.

Current/Anticipated Income – Prospective annual income based upon the earnings and benefits received at the time of the certification. It may be

used in calculating income used to determine TTP in certain circumstances.

Elderly Household - Elderly households are defined, for the purposes of participation in the Rent Reform Demonstration, (both the experimental and control groups), as households whose head, spouse or sole member is 56 years or older at the time the family would enter the study group.

Family Share - The Family Share is calculated by subtracting the amount of the total housing assistance payment (HAP) from gross rent.

Interim Recertification – a certification of a household’s income that occurs in between regularly scheduled triennial recertification. Households may request one interim recertification if they experience a reduction in income each year.

Minimum Rent – The minimum amount a Head of Household must contribute toward their lease rent. This amount must be paid directly to the owner each month, even if 28% of monthly income is less than the minimum rent. The minimum rent for study participants is \$75.

Rent Reform Demonstration – a study commissioned by the U.S. Department of Housing and Urban Development (HUD) to evaluate a Housing Choice Voucher (HCVP) alternative rent reform policy. The demonstration implements alternative rent calculations and recertification strategies at several PHAs across the country in order to fully test the policies. DCHA is one of the participants in the study.

Rent Burden – When a family is initially certified for the Rent Reform Demonstration, and when they move to a new unit, the maximum rent burden is 40% of the household’s gross monthly income. If the family’s TTP exceeds this amount, the unit will be disapproved. This maximum rent burden does not apply in future certifications if the household remains in the same unit.

Rent to Owner - The amount payable monthly by the Family as rent to the unit owner which equals the TTP minus the utility allowance, if applicable. However, if the Family Share is less than the Minimum Rent the rent to owner equals minimum rent.

Retrospective Income – Total household income that was received in the 12 month (look-back) period prior to the recertification being conducted.

Study Group - HCVP Participants who are randomly selected for the program and will have the alternative rent policies of the Rent Reform Demonstration applied to their subsidy participation. This family will be

followed for the entire length of the program and their progress toward self-sufficiency will be compared to the control group.

Temporary Total Tenant Payment – a Total Tenant Payment set for a six-month grace period.

Total Tenant Payment (TTP) – The TTP is 28% of the Family gross income or minimum rent, whichever is higher.

Triennial Recertification – certification of a household's income and family composition that is used to establish the household's TTP three years from the date of the initial recertification for entry into this program.

Interested persons are encouraged to submit comments regarding this Proposed Rulemaking to DCHA's Office of General Counsel. Copies of this Proposed Rulemaking can be obtained at www.dcregs.gov, or by contacting Karen Harris at the Office of the General Counsel, 1133 North Capitol Street, NE, Suite 210, Washington, DC 20002-7599, or via telephone at (202) 535-2835. All communications on this subject matter must refer to the above referenced title and must include the phrase "Comment to Proposed Rulemaking" in the subject line. There are two methods of submitting Public Comments:

1. Submission of comments by mail: Comments may be submitted by mail to the Office of the General Counsel, 1133 North Capitol Street, NE, Suite 210, Washington, DC 20002-7599.
2. Electronic Submission of comments: Comments may be submitted electronically by submitting comments to Karen Harris at: PublicationComments@dchousing.org.
3. No facsimile will be accepted.

9100

PROGRAM PURPOSE

9100.1

The United States Department of Housing and Urban Development (HUD) is conducting the Moving to Work (MTW) Housing Choice Voucher Program Rent Reform Demonstration program (Rent Reform Demonstration or Program), designed to implement and evaluate an alternative rent policy, implemented by several MTW agencies. DCHA has been selected to participate in the study, and as such, will modify its policies and rent calculations for a group of program participants (study group), and will compare the results to a group of program participants who are assisted under the rent policies used for all other DCHA assisted households (control group). The HUD Rent Reform Demonstration Program is designed to implement and study an alternative strategy to standard HUD operating rules for HCVP. The proposed alternative rent policies will include the following five key features:

- (a) Simplify income determination and rent calculation of the household's Total Tenant Payment (TTP) and subsidy amount by:
 1. Eliminating deductions and allowances,
 2. Changing the percent of income used to calculate the total tenant payment from 30% of adjusted income to a maximum of 28% of gross income,
 3. Ignoring income from assets when the asset value is less than \$25,000, and
 4. Using retrospective income, *i.e.*, 12-month "look-back" period and, in some cases, current/anticipated income in estimating a household's TTP and subsidy.
- (b) Conduct triennial income recertification rather than biennial recertification with provisions for interim recertification and hardship waivers if income decreases.
- (c) Streamline interim certifications to eliminate income review for most household composition changes and moves to new units.
- (d) Require that the family rent to owner is the greater of 28% of gross monthly income less any applicable utility allowance or at least the minimum rent of \$75.
- (e) Simplify the policy for determining utility allowances.

- (f) Additionally, the program will offer appropriate hardship protections to prevent any participant in the study group from being unduly impacted as discussed in Section 9118.

9101 SELECTION OF STUDY GROUP AND CONTROL GROUP

9101.1 Program participants will be selected from among current HCVP participant families, using a random assignment methodology. Households will be selected for either the ~~experimental study~~ or control groups prior to their scheduled regular recertification interview.

9101.2 The following households will be excluded from the study:

- (a) Elderly as defined in this chapter
- (b) Disabled
- (c) Project Based Voucher
- (d) VASH (Veteran's Administration Supportive Vouchers) Voucher
- (e) Enhanced Voucher
- (f) Moderate Rehabilitation/Single Room Occupancy (SRO)
- (g) Family Self-Sufficiency (FSS) program participants
- (h) Households exercising the portability option
- (i) Households who end participation in the HCVP program (either voluntarily or involuntarily)
- (j) Mixed households of eligible and non-eligible household members

9102 ENROLLMENT

9102.1 Once a participant is enrolled in the study group and has begun receiving assistance using the alternative rent policy, the following regularly scheduled events shall occur:

- (a) Triennial recertification, at which time income is calculated and total tenant payment and family rent to owner are determined,

- (b) Interim recertifications, limited to no more than one participant initiated interim per year except in the case of a hardship waiver.

9102.2 At initial enrollment, the household may be provided with a temporary Total Tenant Payment, pursuant to Section 9110.

9103 ANNUAL INCOME

9103.1 For the purposes of determining all forms of income for families participating in the program, DCHA shall follow HUD requirements to verify income, but will calculate and treat gross annual income as follows:

- (a) To establish annual gross income for the three year certification period, DCHA will review the total household income without deductions for the twelve-month period prior to recertification, *i.e.*, the “retrospective income.” The household’s TTP will depend on its retrospective income during a 12 month “look back” period.
- (b) If, at the initial enrollment/ recertification, the household’s current/ anticipated income is less than its retrospective income by more than 10%, a “temporary” TTP based on current income alone will be set for a six month grace period.
- (c) If, at the initial triennial certification only (this is a one-time reduction for a household), the childcare expense exceeds \$200 per month, the gross income will be reduced by a deduction of reasonable childcare costs above the \$200 per month, to create a “temporary” TTP for a six month grace period. After the grace period, the TTP will revert to the amount based upon the previously determined average retrospective income.
- (d) Income recalculations will be initiated by DCHA only triennially.
- (e) If the household reports a decrease in income or a change in household composition that requires a recalculation of the family’s share of rent, the annual income can be recalculated once per year pursuant to Section 9113.

9104 UTILITY PAYMENTS AND REIMBURSEMENTS

9104.1 DCHA, under its MTW Authority, established its “Simplified Utility Allowance Schedule.” The calculation of the Utility Allowance and Reimbursements shall be in accordance with Sections 5311 and 5322 of Title 14, pursuant to DCHA Moving To Work authority.

9104.2 If, when the utility allowance is subtracted from the household’s TTP, the family rent to owner is lower than the minimum rent of \$75; the utility allowance will be

partially reimbursed to the family through a deposit on the utility reimbursement debit card provided by DCHA. The amount of the deposit on the utility reimbursement debit card shall be the total utility allowance minus the difference between the TTP and the minimum rent of \$75. Under these circumstances the family will be responsible to pay the owner \$75 rent each month.

9105 APPLYING UTILITY ALLOWANCES

9105.1 A DCHA-established utility allowance schedule is used in determining Family Share and HAP. DCHA shall use the appropriate utility for the lesser of the dwelling unit actually leased by a family or the voucher unit size for which the Family qualifies using DCHA subsidy standards.

9105.2 When utility schedules are updated to reflect rate changes, utility allowances (and UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households: (1) face a contract rent change, (2) have their TTPs recalculated during interim or triennial recertifications, (3) move to new units, **or** (4) have a change in household composition requiring a change in voucher size.

9106 UTILITY ALLOWANCES

| 9106.1 Pursuant to [14 DCMR](#) Section 5311, the allowances are based on actual rates and average consumption estimates, not on a family's energy consumption.

9106.2 The utility allowance is applied as follows:

- (a) as a reduction in the family's portion of rent;
- (b) as a subsidy allowance to the family through the use of a utility debit card;
or
- (c) in some cases, both.

9106.3 When the family's TTP minus the utility allowance plus any amount of gross rent above the payment standard exceeds the minimum rent of \$75, the utility allowance is given as a reduction in TTP.

9106.4 If, when the utility allowance is subtracted from the family's TTP, the family rent to owner is less than the minimum rent of \$75, the family is required to pay the minimum rent of \$75, and the utility allowance will be partially provided to the family through the use of a utility debit card. The amount of the deposit on the utility reimbursement debit card shall be the total utility allowance minus the difference between the TTP and the minimum rent of \$75.

9107 ADJUSTED INCOME AND DETERMINATION OF RENT

- 9107.1 The alternative rent policy does not use adjusted income to calculate rent and Housing Assistance Payment (HAP); therefore there are no deductions or allowances applied to the gross income calculated in accordance with Section 5306, and with the following exception:
- (a) As provided under Subsection 9103.1 at the initial triennial recertification only, households whose child care expenses exceed \$200 a month, gross income is reduced temporarily (for 6 months), by the amount of reasonable childcare costs above the \$200 per month.

9108 OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

- 9108.1 In order to calculate family rent to owner for the Rent Reform Demonstration, DCHA shall calculate annual income and the TTP pursuant to Section 9107, but will require the family rent to owner to be at least 28% of gross income less any applicable utility allowance, or the minimum rent of \$75, whichever amount is greater.
- 9108.2 DCHA has established a hardship policy that will provide relief to families experiencing hardship in paying their rent. The hardship policy is described in Section 9118.

9109 DCHA'S HOUSING ASSISTANCE PAYMENT

- 9109.1 DCHA shall pay a monthly HAP for a family that is equal to the lower of the applicable payment standard or the gross rent, minus the greater of the family's TTP less any applicable utility allowance or the minimum rent of \$75.
- 9109.2 If a Family chooses a unit with a gross rent that exceeds DCHA's applicable payment standard, the family rent to owner will include the amount by which the gross rent exceeds the payment standard.
- 9109.3 At initial occupancy, DCHA may not approve the tenancy if it would require the family share to exceed forty percent (40%) of the family's gross monthly income.

9110 DELAYED FAMILY SHARE AT INITIAL CERTIFICATION UNDER THE RENT REFORM DEMONSTRATION

- 9110.1 To help protect households from unreasonable increases in TTP when the alternative rent policy is implemented, the following safeguards will apply:
- (a) When a household's anticipated monthly income for the coming year is substantially lower (*i.e.*, by more than 10 percent) than its retrospective monthly income for the past year, a "temporary" TTP based on the anticipated income (or the minimum rent, whichever is higher) will be set for a six-month "grace period." This grace period will only apply, at the beginning of the three-year period and at any subsequent triennial

recertifications.

- (b) At the end of the six-month grace period, unless the household qualifies for an interim recertification (see below), the temporary TTP will expire, and the household will be switched automatically to the “regular” TTP amount that was previously determined based on retrospective income. No interim is required or offered.
- (c) If, however, at the end of the grace period, the household has not fully restored its income to the original retrospective gross income level, the household may request and will be granted an interim recertification interview. The new 12-month look-back period for that interim recertification (counting back from the end of the grace period) will take into account the more recent period of lower income. The new TTP calculated at this interim will apply until the next triennial recertification, unless an intervening interim recertification is required or the family receives a lower TTP as part of a hardship waiver.
- (d) If this interim recertification (after the grace period) results in a new TTP that is higher than the grace-period temporary TTP, the Family may qualify for a hardship waiver pursuant to Section 9118.
- (e) If a working-age/non-disabled household that is enrolled in the Rent Reform Demonstration subsequently becomes a fixed-income household due to disability by the time of its next triennial recertification, its new TTP will be based on its fixed current/anticipated gross income.

9111 CHANGES IN FAMILY SHARE AND HOUSING ASSISTANCE PAYMENTS

- 9111.1 Households are not required to report changes in income during the three-year period between recertifications; however, they must report changes in household composition. This includes both additions and removals of members (including the death of any member) to the household, so that DCHA may determine continued eligibility for housing assistance.
- 9111.2 Unless the addition or change in members results in a required change in the voucher bedroom size, no income information will be requested.
- 9111.3 If the removal of a household member results in a decrease in income, the household may request an interim certification to reset the TTP. If the loss of income causes the household’s retrospective income to drop by more than 10 percent of its previously established retrospective income level, the TTP shall be reset.
- 9111.4 If the addition or removal of a household member results in a change in the

appropriate voucher bedroom size, DCHA will review the income of the new or removed member only, apply the appropriate utility allowance for the bedroom size and will reset the TTP. If there is a reduction in subsidy or increase in family share, DCHA will automatically grant a one-time hardship for six months to allow the Family to move to an affordable unit.

9112 TRIENNIAL RECERTIFICATION OF INCOME

9112.1 Families shall be required to provide information on household income, assets valued at \$25,000 or more and family composition triennially (every three years).

9112.2 Triennial recertification for midmonth move-ins (*e.g.*, September 15th) shall be conducted no later than ~~the third following year by~~ the first of the move-in month (*e.g.*, September 1) in the third following year.

9112.3 When families move to another dwelling unit, the family will not be required to complete an interim recertification unless the household composition has changed and the family member who was added or removed had income counted in the last triennial recertification. The family rent to owner will be the TTP calculated using the family's most recent interim or scheduled recertification, together with the utility allowance and contract rent applicable to the new dwelling unit.

9113 RECERTIFICATION NOTICE TO THE FAMILY

9113.1 In accordance with Subsection 5313.1, DCHA shall maintain a recertification tracking system that shall ensure that at least one hundred fifty (150) days in advance of the scheduled triennial recertification effective date, the Head of Household shall be notified by mail that she or he is required to attend a recertification interview on a specified date, or rearrange a date in advance, if the scheduled date is unacceptable. The notice shall tell the participant which documents to bring. Except for the timing of the recertification appointment, all other procedures required by Sections 5313 and 5805 will be followed.

9114 INTERIM RECERTIFICATIONS

9114.1 Interim recertifications in the Rent Reform Demonstration are limited in frequency and scope.

9114.2 Families are not required to report increases in income between triennial recertifications.

9114.3 Family's may request and receive an interim reduction in rent:

- (a) When their income falls, households may request, an interim recertification of their income. An interim will be conducted only when a household has a reduction in income of 10% or more from the

retrospective income used to calculate their TTP.

- (b) DCHA will re-calculate the household TTP based on a new retrospective income to determine the greater of 28% of gross income or the minimum rent of \$75. This new TTP will remain in effect until the next triennial certification unless an interim recertification is required or the family receives a lower TTP as part of a hardship waiver.
- (c) The household may request and receive one interim recertification per year, unless an additional interim recertification is granted as part of a hardship waiver.

9114.4 Households are required to report changes in household composition within thirty (30) calendar days of the change in household composition.

9114.5 Households seeking to move to a new unit will not be required to complete an interim review of income and have TTP recalculated, unless the move is the result of a change in household composition and voucher size (as described above), or when the tenant requests an interim due to a decrease in income. If an interim recertification is not conducted, then tThe family rent to owner will be calculated using the family's most recent interim or scheduled recertification TTP, together with the utility allowance and contract rent applicable to the new dwelling unit.

9114.6 When the utility allowance schedule is updated to reflect rate changes, utility allowances and utility allowance payments (UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households:

- (a) Experience a change in unit rent; or
- (b) Recertify and the TTP is recalculated during interim or triennial; or
- (c) Move to a new units; or
- (d) Change the household composition and qualify for a different voucher size.

9114.7 DCHA will conduct a third party verification every ninety days for those families who report zero income and initiate an interim recertification.

9115 ASSETS

9115.1 Households will not be required to report the value or income from assets that are valued at less than \$25,000, but will be required to certify that their combined asset value is under \$25,000. This income will not be included in the income calculated to determine TTP. If a household has assets that are \$25,000 or more,

they will be required to report this information, and the income from assets will be calculated.

9116 FAMILY MOVES

9116.1 Family moves for participants (Control and Study Group) who are in the MTW Rent Reform Demonstration shall be governed by this chapter only.

9116.2 DCHA shall not approve requests to move a Family more than once in a twelve (12) month period unless one of the following exceptions applies:

- (a) A ~~victim-survivor~~ or Family seeks to move under the protections enumerated in the VAWA;
- (b) DCHA terminates the HAP contract with the owner;
- (c) The move is necessary to grant a request for a reasonable accommodation;
- (d) A transfer voucher is granted as part of a hardship waiver; or
- (e) DCHA has determined, in its sole discretion, that one or more of the following emergency situations applies:
 - (1) There is a credible threat of domestic violence or need for witness protection in connection with the Household that may be mitigated by a move;
 - (2) There are serious unresolved Housing Quality Standard landlord violations in the Participant Household's existing leased unit;
 - (3) Other emergency factors acceptable to DCHA have been identified by the Participant Household.

9116.3 Families may only request a Voucher transfer briefing if the Family:

- (a) Has lived in their unit for at least a year;
- (b) Has not been terminated or is not currently being recommended for termination;
- (c) Is in good standing with the lease in the current unit (no outstanding rent or tenant-responsible utility bills); and
- (d) Does not have any current tenant-caused HQs violations in their existing unit.

9116.4 If the request is timely and granted, a Family shall receive no more than two (2) transfer vouchers and two (2) transfer briefings between every triennial recertification.

| 9116.5 Notwithstanding Sections [9116.2](#), [9116.3](#), and 9116.4, Families shall be issued a transfer voucher as an emergency if one (1) or more of the following conditions apply:

- (a) The Family has demonstrated a need based on the protections for victims of intrafamily violence as explained in Section 4907 of Title 14;
- (b) DCHA has terminated the HAP contract with the Family's landlord;
- (c) The Owner has initiated eviction proceedings against the Family;
- (d) Emergency Transfer was granted after request from the Office of the Attorney General or the United States Attorney's Office as a matter of safety;
- (e) If DCHA determines the family voucher size is too large, and the Family is not within the first year of tenancy; or
- (f) The family has been granted a transfer voucher as part of a hardship waiver.

9116.6 Transfer Vouchers.

- (a) For a Family that qualifies for a move under this section, the Participant Household shall be offered a Transfer Voucher to search for another unit.
- (b) The Transfer Voucher shall expire at the earlier of 180 days from the date of its issuance, or the date DCHA has terminated the Housing Assistance Contract on the Family existing unit with notice to the Household,
- (c) Any denial or refusal to issue a Transfer Voucher shall be issued in writing and state the reasons for such denial, including the specific nature of any denial due to any violation of Family Obligations or failure to be in good standing.

9116.7 Processing the Move. After issuance of a Transfer Voucher, if the Family locates a dwelling unit it wishes to lease, it shall be processed by DCHA as a new lease-up, including the following:

- (a) Provision of a lease-up packet when the Transfer Voucher is issued;
- (b) Inspection of the new unit for compliance with HQS; and

- (c) Approval of the lease-up lease package, including the lease and the lease terms including the gross rent and the contract rent subject to a rent reasonableness determination.

9116.8 Failure to Relocate. After a Transfer Voucher is issued, if the Family does not locate a new dwelling unit to move to:

- (a) The Family may continue on where it is currently leasing, provided that:
 - (1) The Family has not yet given notice to terminate their lease to the owner; or
 - (2) The Family has delivered to the owner a notice rescinding the earlier termination notice with a copy of such notice simultaneously delivered to DCHA; and
 - (3) The HAP Contract has not otherwise been terminated by DCHA.
- (b) The Family is not required to provide new lease-up or other documents to DCHA and the owner shall continue to receive Housing Assistance Payments as if the Participant had never requested the Transfer Voucher.
- (c) The Family's prior Total Tenant Payment continues in effect.

9116.9 Future Moves. If a Family decides to move at a future date while the Transfer Voucher is still in effect, or upon obtaining another Transfer Voucher, the Family is required to:

- (a) Give the Owner notice as provided under the lease or otherwise by mutual consent with the Owner permitting termination of the existing lease; or
- (b) If the Transfer Voucher has expired, the Family is required to request a Transfer Voucher under the conditions identified in Subsection 9116.3.

9117 PORTABILITY PROCEDURES

9117.1 If, at the time of their triennial certification, households report that they are interested in exercising their portability option to move to another jurisdiction, they will be referred to the appropriate receiving PHA, and will not be included in the rent reform study. Another family will be selected to replace the household porting out.

9118 HARDSHIP WAIVER POLICY

9118.1

A Family may request a Hardship waiver at any time if the family can demonstrate one of the following circumstances listed below. If the family receives a temporary TTP during the initial grace period, then the family may request a hardship waiver within 15 days before the expiration of the initial grace period or thereafter.

- (a) After the effective date of ~~a new~~ the TTP, the new TTP has put ~~or will put~~ the Family at imminent risk of eviction as a result of non-payment of rent, and the hardship cannot be remedied by the one interim recertification permitted each year (which cannot reduce a household's TTP below the minimum level);
- (b) The Family is at an income level or experiences a loss of income and/or a TTP increase such that its total monthly TTP exceeds 40 percent of its current monthly gross income. Any amount by which the gross rent exceeds the payment standard must be paid by the family and is not used in determining this 40% rent burden. The gross income will include imputed income in the same manner as current calculations;
- (c) Zero household income;
- (d) Loss of eligibility for a federal state, or local assistance program which reduces the Family income such that the total monthly TTP exceeds 40 percent of its current monthly gross income;
- (e) Temporary or permanent disability, incapacitation or illness, or death of a household member, which reduces the Family income such that the total monthly TTP exceeds 40 percent of its current monthly gross income; or
- (f) Significant income loss because of other changed circumstances, including the loss of employment, reduction in work hours or pay, or loss of public benefits.
- (g) Other circumstances as determined by DCHA.

9118.2

The process for requesting a Hardship Waiver is as follows:

- (a) The Head of Household must initiate a request for a Hardship Waiver by completing and submitting a written hardship request to the Housing Choice Voucher Program ~~within 30 days of a Notice to Cure or Vacate or a Complaint for possession of the unit received showing an eviction risk (or negative impact on the Family);~~
- (b) The Head of 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, reduction in work hours, or loss of federal, state or local assistance; or the temporary or permanent disability, incapacitation or illness, or death of a household member and amount of lost income;

- (c) If the Head of Household claims zero household income as part of its hardship request, it must provide a detailed accounting of funds used to cover basic costs of living (food, personal/family care necessities, etc.);
- (d) To receive hardship based on the risk of eviction for non-payment of rent, a household must provide a copy of a rent ledger showing an accruing balance, a notice from the landlord, a 30 day Notice to Vacate or Cure, or a Summons and Complaint from the landlord for non-payment of rent, or any other proof acceptable to DCHA;
- (e) To receive hardship based on the risk of utility shut-off, a household must provide a copy of a shut-off notice, a recent bill from the utility company showing an accruing balance, a notice from the landlord, or any other proof acceptable to DCHA.

9118.3 The Hardship Review Process is as follows:

- (a) DCHA will review the Hardship Request in accordance with this section and provide written notice to the Head of Household within ten (10) business days of its decision to grant the Hardship requests;
- (b) DCHA will complete all information regarding the request for Hardship and the outcome in the Head of Household file;
- (c) Where a hardship waiver is denied, the household may request an independent review of DCHA's denial to the Director of the Housing Choice Program or his/her designee.
- (d) For hardship claims related to imminent risk of eviction or utility shut-off, DCHA will conduct an expedited independent review.

9118.4 At the sole discretion of DCHA, 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 TTP, which includes lowering the minimum rent until the next triennial recertification;
- (b) Setting the household's TTP below the minimum, at 28 percent of current income, for up to 180 days;

- (c) Offering a “transfer voucher” to support a move to a more affordable unit (including a unit with lower utility expenses); or
- (d) Any combination of the above remedies.

9118.5 During the 180 day period when the TTP is reduced, DCHA will recalculate the subsidy payment based on the reduced TTP. DCHA will notify the Landlord and the Head of Household of the change in subsidy payment.

9118.6 In addition to the remedy or remedies offered, the Head of Household may be referred to federal, state or local assistance programs to apply for assistance, or to obtain verification that they are ineligible to receive benefits.

9118.7 The Hardship remedies are subject to the following limitations:

- (a) The new Family rent to owner will be effective on the 1st of the following month after ~~approval~~submission of the request;
- (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.

9118.8 Expiration of the Hardship Waiver Period:

- (a) If the family receives a hardship waiver and the Family’s hardship continues, then the family may within 15 days before the expiration of the initial grace period or thereafter ~~If after the 180-day Hardship period expires and the Family’s hardship continues, the Family may~~ submit a request for an extension of the hardship remedy. However, the hardship waiver will never go past the triennial recertification date;
- (b) At the end of the hardship waiver period, the household’s regular TTP will be reinstated.

9999 DEFINITIONS

Control Group – HCVP participants who are randomly selected for the program, but have their vouchers administered pursuant to the existing DCHA HCVP Administrative Plan. These families will be followed for the entire length of the program and their progress toward self-sufficiency will be compared to the study group.

Current/Anticipated Income – Prospective annual income based upon the earnings and benefits received at the time of the certification. It may be

used in calculating income used to determine TTP in certain circumstances.

Elderly Household - Elderly households are defined, for the purposes of participation in the Rent Reform Demonstration, (both the experimental and control groups), as households whose head, spouse or sole member is 56 years or older at the time the family would enter the study group.

Family Share - The Family Share is calculated by subtracting the amount of the total housing assistance payment (HAP) from gross rent.

Interim Recertification – a certification of a household’s income that occurs in between regularly scheduled triennial recertification. Households may request one interim recertification if they experience a reduction in income each year.

Minimum Rent – The minimum amount a Head of Household must contribute toward their lease rent. This amount must be paid directly to the owner each month, even if 28% of monthly income is less than the minimum rent. The minimum rent for study participants is \$75.

Rent Reform Demonstration – a study commissioned by the U.S. Department of Housing and Urban Development (HUD) to evaluate a Housing Choice Voucher (HCVP) alternative rent reform policy. The demonstration implements alternative rent calculations and recertification strategies at several PHAs across the country in order to fully test the policies. DCHA is one of the participants in the study.

Rent Burden – When a family is initially certified for the Rent Reform Demonstration, and when they move to a new unit, the maximum rent burden is 40% of the household’s gross monthly income. If the family’s TTP exceeds this amount, the unit will be disapproved. This maximum rent burden does not apply in future certifications if the household remains in the same unit.

Rent to Owner - The amount payable monthly by the Family as rent to the unit owner which equals the TTP minus the utility allowance, if applicable. However, if the Family Share is less than the Minimum Rent the rent to owner equals minimum rent.

Retrospective Income – Total household income that was received in the 12 month (look-back) period prior to the recertification being conducted.

Study Group - HCVP Participants who are randomly selected for the program and will have the alternative rent policies of the Rent Reform Demonstration applied to their subsidy participation. This family will be

followed for the entire length of the program and their progress toward self-sufficiency will be compared to the control group.

Temporary Total Tenant Payment – a Total Tenant Payment set for a six-month grace period.

Total Tenant Payment (TTP) – The TTP is 28% of the Family gross income or minimum rent, whichever is higher.

Triennial Recertification – certification of a household’s income and family composition that is used to establish the household’s TTP three years from the date of the initial recertification for entry into this program.

Interested persons are encouraged to submit comments regarding this Proposed Rulemaking to DCHA’s Office of General Counsel. Copies of this Proposed Rulemaking can be obtained at www.dcregs.gov, or by contacting Karen Harris at the Office of the General Counsel, 1133 North Capitol Street, NE, Suite 210, Washington, DC 20002-7599, or via telephone at (202) 535-2835. All communications on this subject matter must refer to the above referenced title and must include the phrase “Comment to Proposed Rulemaking” in the subject line. There are two methods of submitting Public Comments:

1. Submission of comments by mail: Comments may be submitted by mail to the Office of the General Counsel, 1133 North Capitol Street, NE, Suite 210, Washington, DC 20002-7599.
2. Electronic Submission of comments: Comments may be submitted electronically by submitting comments to Karen Harris at: PublicationComments@dchousing.org.
3. No facsimile will be accepted.