EXTRACT OF THE MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF COMMISSIONERS OF THE
CAMBRIDGE HOUSING AUTHORITY
WEDNESDAY, NOVEMBER 21, 2005 6:00 P.M.

MEMBERS PRESENT:
JAMES G. STOCKARD, JR., CHAIRPERSON
GERARD J. CLARK, VICE-CHAIRPERSON
WARREN R. MCMANUS TREASURER
JACQUELINE F. ADAMS, ASSISTANT TREASURER

MEMBERS ABSENT:
JOHN RAMOS, MEMBER

ALSO PRESENT:
GREGORY RUSS, EXECUTIVE DIRECTOR
TORY GUNSOLELY, EXECUTIVE DEPARTMENT
CHRISTINE SMITH, P&I DEPARTMENT
JOSH MEEHAN, P&I DEPARTMENT
GLORIA LEIPZIG, MANAGEMENT DEPARTMENT
JACK GEARY, MANAGEMENT DEPARTMENT
SHIRLEY SANFORD, RECORDING SECRETARY

REN T SIMPLIFICATION PROGRAM

MOTION: Mr. Clark moved that the Cambridge Housing Authority Board of Commissioners

a) Approve and authorize the implementation of the Rent Simplification Program for Federal Public Housing including raising the asset exclusion to $50,000, using the simplified medical and childcare deduction schedule, modifying the definition of annual income and adjusted income to conform to the Rent Simplification program, establishing the new interim recertification policy, the rent schedule, and other details outlined in the Rent Simplification Program; and,

b) Approve new minimum rents of $50 a month and the new ceiling rents according to the Rent Schedule for Federal Public Housing; and,

c) Approve and authorize the implementation of the Rent Simplification Program for Federal Housing Choice Voucher Program including raising the asset exclusion to $50,000, creating the new interim recertification, requiring the new minimum rent of $50 a month, and other details outlined in the Rent Simplification Program; and,

d) Approve and authorize the implementation of the Hardship Policy, the creation of the Hardship Committee and the ability to grieve Hardship Committee decisions to the CHA's Conference Panel; and,

e) Authorize any technical corrections and changes necessary to implement the Rent Simplification Program; and,

f) Require that the staff provide monthly status reports to the Board on the Hardship Review process; and at six and twelve months after implementation of the Rent Simplification Program provide information to the Board with respect to the overall impact of the Program; and,

g) Amend the Federal Public Housing Admissions and Continued occupancy Plan (ACOP) and the Housing Choice Voucher Administrative Plan to support the implementation of the Rent Simplification Program,

pursuant to the November 17, 2005 memorandum from Troy Gunsolely to Gregory Russ, Executive Director, dated November 17, 2005. Mr. McManus seconded the motion, which upon being put to vote, was passed unanimously.

Attest: Shirley Sanford
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Gregory Russ, Executive Director
Cambridge Housing Authority
Rent Simplification Program
November 21, 2005
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RENT SIMPLIFICATION - GUIDING PRINCIPLES

CHA believes there is a better way to administer these essential housing programs, one that encourages employment advancement and growth, and can be simply, efficiently and fairly administered.

Rent Simplification: Equity & Efficiency
The proposed system rewards families who increase their incomes, and provides them with more opportunities to save while easing the burden of administering these housing programs.

Everyone Should Contribute
CHA believes that every family should contribute towards their housing. Under Rent Simplification, the criteria under which a family can claim zero income and not pay any rent are not changed. What will change is the amount of time families will be permitted to remain on zero rent. Additionally, Rent Simplification proposes increasing minimum rents in Public Housing to $50 per month.

Fiscal Equity for CHA
Rent Simplification is forecast to be revenue-neutral. In other words, the implementation of Rent Simplification will not increase the amount of rental revenue to the CHA.

Approachable Method
Rent Simplification allows all stakeholders to easily understand how tenant rents are determined, and armed with some basic income data, anticipate what future rents will be. This will allow families to easily plan for future expenses and savings.

Measurable Reduction in Administrative Time
By simplifying the rent determination and deduction procedures in Federal Public Housing, Rent Simplification makes the job of recertifying tenants significantly easier.

Transition to Avoid Hardships
A percentage of participants may see rent increases due to the transition to Rent Simplification. CHA has developed hardships provisions that will ease the transfer.
HOUSING CHOICE VOUCHER
RENT SIMPLIFICATION PROGRAM

Asset Exclusion
Asset exclusion is raised to $50,000. Increasing the asset exclusion amount allows residents to accumulate more assets before they are calculated as income.

Annualized Income Calculation
Prospective and past income may be used to calculate resident rents, especially for families with irregular or sporadic employment histories. For example, W-2’s may suffice as evidence of past family income when more detailed information is not available.

Recertifications
Recertifications for participants are conducted annually.

Interim Recertifications
The program limits interim recertifications to one per year (excluding transfers) to be exercised at the tenant’s option. Interim rents remain in place until the next scheduled annual certification or until the household experiences an increase in income, whichever comes first. Households receiving an interim rent reduction must report any subsequent income increase to CHA within thirty (30) days of occurrence. Failure to report within thirty days results in retroactive rent changes and depending on the severity of the circumstances, termination from the Program.

Seniors above the age of sixty-two (62) years old and/or disabled households are exempt from the one-interim limit on recertifications.

Interim recertifications will only be processed if the effect of the loss of income is expected to be longer than sixty (60) days. Permanent loss of income (i.e., death of an income earner) results in a permanent, rather than interim, rent reduction.

A family’s rent is recalculated if the addition or subtraction of a household member results in an income change for the household. This change in rent does not count as an interim recertification.

New Minimum Rent
Minimum rent, before adjustment for utilities, is set at $50.

All residents on minimum rent ($50) are referred to Social Services for job or benefit counseling.
Zero Income Households
Interim rents based on a claim of zero income are limited to ninety (90) days. After ninety days, zero income interim rents expire and household rents revert to $50 per month hard minimums. Only one request for an interim rent based on zero income may be processed in any twelve month period. Households will be required to provide sufficient documentation in support of zero rent including completion of a family budget sheet.

Utility Assistance Payments based on zero income will terminate after ninety (90) days.

Project-Based Voucher and MRVP Participants
The proposed system does not affect either the Project-Based Voucher program or the MRVP program. Because the Project-Based Voucher program operates under outside agreements, payments and procedures remain the same as currently administered. The MRVP program is a state program and is not being changed under rent simplification.

Fraud Prevention
If after two or more instances of job loss or income drop within ninety (90) days of a scheduled recertification (based on current and prior recertification history) CHA will set a rent based on the past year’s W-2 or other information available to verify income. Families are advised that this is a potential fraud issue and that they have the right to go the Conference Panel to more fully explain the reasons for the pattern of income loss.

Households with two or more instances of job loss or income drop within ninety (90) days of a scheduled certification do not have access to the Hardship Review Committee.

Hardship Review
The Hardship Review Committee is created to review individual cases of significant increases in shelter costs. At the applicant’s request, the Hardship Review Committee may include one Public Housing resident or one voucher holder.

Voucher holders with shelter costs (shelter costs are defined as the cost of rent and utilities) greater than 50% of adjusted monthly household income (monthly income is defined as annual income divided by twelve) can apply to the Hardship Review Committee for hardship rent.

The Hardship Committee will examine each family’s circumstances on a case-by-case basis. The Hardship Committee has a choice of two remedies it can recommend (including permanent, family-specific rent caps) as it deems appropriate, to reduce a qualifying household’s rent burden:

- Set rent at minimum rent of $50 per month for a specific period of time or set a minimum rent as described in the zero income policy

- Set rent calculated using prevailing HCVP rent determination policies
Phased Simplification Implementation — Housing Choice Voucher Program
Participants received notice of the new policy in early December 2005.

The new policy took effect January 1, 2006. CHA anticipates all proposed changes to the voucher program being fully implemented by Spring 2006.
HARDSHIP WAIVER POLICY AND GUIDELINES

1. **Hardship Policy:**

Prior to imposition of any change in rent, the household will be provided with advanced notice as required by their lease and/or governing documents. Households that are notified of a rent increase will also be informed, in writing, of their ability to seek a waiver based on financial hardship provided that the hardship is related to extraordinary medical expenses, child care costs or extraordinary cost of living.

2. **Hardship Criteria:**

The following criteria will trigger a review for consideration of a Hardship Rent.

**Extraordinary Cost of Living:**

In public housing, a hardship review will be conducted if, after deductions, the total shelter costs, when combined with unreimbursed medical or childcare costs, exceed fifty percent (50%) of a household’s monthly income (monthly income is defined as annual income divided by twelve).

In the voucher program, hardship review may be conducted if, after deductions, the total shelter costs exceed fifty percent (50%) of a household’s monthly income (monthly income is defined as annual income divided by twelve).

For both programs shelter costs are defined as the cost of rent and utilities.

**Medical or Childcare Expenses Greater than $7,501:**

In public housing, hardship review may be conducted if a household’s total unreimbursed medical or childcare costs exceed $7,501 per year. This includes the full cost of Medicare and private insurance.

Persons with disabilities always retain the right to request Reasonable Accommodations.

3. **Waiver Request Process:**

All waiver requests must originate with the household and must be submitted to the housing manager or leasing officer within thirty (30) calendar days of the date of the rent adjustment notification or hardship event, whichever occurs first. It will be the responsibility of the household to complete an “Application for Hardship Waiver” form and to provide all documentation required to show eligibility. Neither the housing manager nor the leasing officer shall be expected to assist the household except as a
reasonable accommodation. Once the housing manager/leasing officer receives the required documentation, the information shall be forwarded to the Deputy Director of Leasing and Occupancy.

At the applicant’s option, the Hardship Review Committee shall be made up of the members of the Emergency Housing Committee plus a public housing resident or voucher holder.

In cases of Hardship based on income loss, the Hardship Review Committee shall consider whether or not the applicant has made a good faith effort to secure alternative income sources. In addition the Committee shall consider whether or not the loss of income is due to circumstances beyond the applicant’s control.

The Hardship Review Committee shall render a decision on the request and a written decision shall be forwarded back to the Executive Director for signature. The Executive Director may sustain or decline the recommendation of the Committee. After signature by the Executive Director the Deputy Director of Leasing and Occupancy will inform the parties of the decision. The written decision shall inform the parties as to the relief granted as well as the term of the relief. Households that disagree with the decision may request a grievance through the Legal Department. CHA’s Conference Panel will hear hardship claims. In cases where an appeal is sought, no action shall be taken by the CHA until the Conference Panel has rendered a written decision. The Conference Panel’s decision will be forwarded to the parties.

5. Hardship Committee Remedies (Public Housing):

Depending on income, deductions and family circumstances action the Committee may take include, but are not limited to:

a. Set rent at minimum rent of $50 per month for a specific period of time or set a minimum rent as described in the zero income policy
b. Give a deduction of $7,500 or more
c. Set interim rent at Rent Simplification schedule rent closest to pre-Rent Simplification rent for a specified period of time
d. Extend $100 per month rent increase cap for up to one year (not to exceed two years total)
e. Phase $100 per month rent increase cap out over specified period of time beyond the 2 years in d. above
f. Appropriate combination of remedies listed above

6. Hardship Committee Remedies (Voucher Program):

Depending on income, deductions and family circumstances action the Committee may take include, but are not limited to:

a. Set rent at minimum rent of $50 per month for a specific period of time or set a minimum rent as described in the zero income policy
b. Set rent calculated using prevailing HCVP rent determination policies
Rent and Recertification Policy

CHA will implement new rent policies in the Section 8 certificate and voucher/Local Leased Housing program that are Board-approved and which were developed in cooperation with resident representatives. These policies are intended to provide relief to working families and incentives to non-working families to seek employment, as well as (where possible) to bring policies into alignment with CHA’s other rent policies. The rent policies described below also include the limited changes made to the leased housing program by the simplified rent system that was approved by the Board in FY06. Additional policies may be developed over the course of the demonstration in consultation with the affected program participants. The current new policies are:

Annualized Income Calculation

Prospective and past income may be used to calculate resident rents, especially for families with irregular or sporadic employment histories. For example, W-2’s may suffice as evidence of past family income when more detailed information is not available.

Annual Income Exclusions

Asset Exclusion
Asset exclusion is raised to $50,000. Increasing the asset exclusion amount allows residents to accumulate more assets before they are calculated as income.

SSI/SSDI/EAEDC/Veterans’ Disability To Work Exclusion:
A Resident whose rent would otherwise increase as a result of an increase in earned income is eligible to receive an exclusion of the increased amount of income provided that:

1) the household income has been derived, at least in part, from Supplemental Security Income (SSI), Social Security Disability Income (SSDI), Emergency Aid to Elders, Disabled and Children (EAEDC), or Veterans disability for each of the past 12 months (or as described below); and

2) the Resident has a reduction or termination of such benefits as a result of the increased earned income. This earned income exclusion shall be in effect for one continuous twenty-four month period regardless of any changes or gaps in employment during that period.

During the first 12 months, the Resident’s contribution to the Gross Household Income used in the rent determination will be based on the past year’s benefits (and wages already being counted, if applicable).

During the second 12 months, the Resident’s rent will be increased by 50% of the amount of total rent increase that otherwise would be applicable. This is a one-time...
exclusion and it is the Head of Household's sole determination when to exercise this exclusion. This exclusion does not apply to a Head of Household or Member who was receiving SSI/SSDI benefits for a minor or dependent. (Note: This exclusion incorporates the suggested language from comments from CASLS.)

**Welfare to Work Exclusion**

This is a twenty-four month exclusion. In Year One, 100% of wage income above the TANF cash benefit will be excluded for a consecutive 12-month period once a participant has been employed after receiving cash benefits from TANF. Thus in Year One the rent will remain the same as before the resident became employed. (This also includes any other adjustments — meaning the Year One rent will not decrease from the rent paid during receipt of TANF — even if the TANF is adjusted, the rent will remain the same.)

During Year Two the resident's rent will be increased by 50% of the amount of the total rent increase that would otherwise be applicable. For example, if a resident's rent based on TANF was $200 per month, and they became employed earning $25,000 a year they would have a calculated rent of $500 a month, if this exclusion is exercised in the first year their rent would remain $200, in the second 12 month period (Year Two) if their calculated rent remained $500 the increase would be 50% of the difference or $350 per month. This is a one-time exclusion and it is the Head of Household's sole determination when to exercise this exclusion.

$500 Year Two calculated rent based on $25,000 in wages
$200 Year One TANF rent
$300 Difference

$300 Difference from above
X 50%
$150 Year Two rent increase

$150 Year Two rent increase
+$200 Year One TANF rent
$350 Year Two rent

**Adjusted Income (deductions)**

**Child Care**
The current childcare deduction for families has been expanded to cover children 13 and 14 who are enrolled in licensed day care or in an agency based after-school program or camp. For the purposes of this deduction, "agency based after school program or camp" shall include sports, enrichment classes, and other agency-based activities. This incorporates the suggested language from comments from CASLS.

**Expansion of the Tuition Deduction for Post-Secondary Education**
A Head of Household or Household member with earned income who is furthering his or her education with part-time college or vocational training courses (2
courses/semester maximum) may receive a deduction for non-reimbursable expenses paid out-of-pocket for tuition and fees that do not exceed the amount of earned income contributed by that individual. A maximum of 20 courses per Resident may be used as a deduction.

Continued Occupancy

Minimum Rents
Minimum rent, before adjustment for utilities, is set at $50.00.

All residents on minimum rent ($50.00) are referred to Social Services for job or benefit counseling.

Zero Income Households
Interim rents based on a claim of zero income are limited to ninety (90) days. After ninety days, zero income interim rents expire and household rents revert to $50 per month hard-minimums. Only one request for an interim rent based on zero income may be processed in any twelve-month period. Households will be required to provide sufficient documentation in support of zero rent including completion of a family budget sheet.

Utility Assistance Payments based on zero income will terminate after ninety (90) days.

Utility Allowances
The utility allowance for an over-housed Household will be set based on the bedroom size which will be the appropriate size for the Household as determined by CHA occupancy standards.

Surcharge for Multiple Increases in Voucher/Certificate/Assistance size
Any Household in the leased housing program who is underhoused and requests a second increase in voucher/certificate/assistance size will be required to pay a monthly surcharge equal to 10% of its contribution to rent.

Recertifications
Recertifications for participants are conducted annually.

Interim Recertifications
The program limits interim recertifications to one per year (excluding transfers) to be exercised at the tenant's option. Interim rents remain in place until the next scheduled annual certification or until the household experiences an increase in income, whichever comes first. Households receiving an interim rent reduction must report any subsequent income increase to CHA within thirty (30) days of occurrence. Failure to report within thirty days results in retroactive rent changes and depending on the severity of the circumstances, termination from the Program.
Rent Simplification in the HCV program went into effect January 1, 2006 and represents what CHA considered to be a minor reform of the program but one that addresses some of the administrative strains of calculating participants’ rents. The intent was to make the program “more” user friendly by making the process of rent calculation and continued participation simpler and less intrusive. However, as a “Moving to Work” agency there is more that we can do to not only simplify the program but to make our resources go further. The Leased Housing Department has a staff of 8 dedicated to annual certifications. Currently we have 2,138 participants on the program, 755 are senior/disabled households on the program. I am proposing that we amend our current rent simplification policy in order reduce the annual caseloads by a third. This will allow staff more time to ensure quality in their work while reducing the annual caseload from an average of 450 to 350.

The rent simplification rules noted below are for all MTW voucher holders. They do not apply to senior households, disabled Households, PBA participants, and other NON MTW participants in SRO’s and State Programs.

- Participants are not required to report or verify assets (bank accounts, stocks, bonds, etc.) if they are worth less than $50,000.
- Participants are not required to report increases in income until the annual recertification.
- Households that are not considered elderly or disabled are limited to one interim recertification based on a decrease of income in any twelve-month period.
- Interim recertifications based on a change of family size do not count towards the one per year limit.
- Hardship Waivers for a household experiencing significant loss of income and have used their one interim or who’s rental portion exceeds fifty percent of their adjusted income.
- The minimum rent has increased to $50.
- Rents based on “zero” income are only good for a ninety (90) day period.
I propose we align the HCV Rent Simplification rules with that of Public Housing Rules that allow elderly and disabled household to recertify biennially. Elderly and disabled households will be able to continue to request unlimited interims but must report all increases of income. I propose the above amendment to the current rent simplification policy and rules.

MOTION: That the Board of Commissioners approve the amendment of the current Housing Choice Voucher Rent simplification Policy to include Elderly and disabled households recertify biennially. Elderly and disabled households will be able to continue to request unlimited interims but must report all increases of income as stated in a October 21, 2010 memorandum from Angelica Benzan, Director Of Leased Housing Programs to Gregory P. Russ, Executive Director.