



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (1)

Date: August 23, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Interim Housing Opportunity Program (HOP) Hardship Policy

THA's Housing Opportunity Program (HOP) has a 5-year time limit for work-able families. Those limits will begin to expire early in 2018. This resolution would approve interim changes to the Hardship Policy allowing households facing such expirations an expanded ability to seek a limited extension of rental assistance if necessary to meet an unexpected hardship.

Background

THA's HOP program helps low-income families pay rent on the private market. Under its rules, people who can work have a five-year time limit on their rental assistance. The first 5-year periods expire in 2018. Staff propose to expand the policy allowing households to ask for a limited extension of the assistance to meet an unexpected hardship. This would be an interim change mainly to prepare for next year's round of 5-year expirations. Later this year, THA will review other parts of the HOP program. That review will be another chance to review this policy.

1. Existing Policy & Urgency

Under the hardship policy, the first wave of program participants had to have applied for a hardship extension in July of 2017. Also, it does not define hardship.

A hardship policy has been established for work-able households of the Housing Opportunity Program that defines the circumstances under which households may request an extension to the term limit. Families that would like to request a term limit extension need to apply eight months prior to the end of term. A committee will be established to review each request and the families will be provided an opportunity to present justification for their request. If approved by the committee, a three month extension may be granted to the family. Since there will not be time limits for senior/disabled households, there will be no hardship policy for that population.¹

¹ Administrative Plan Chapter 18, Section XXII and 2013 MTW Plan: Appendix C

- the hardship must be of long-term or permanent duration (at least 90 days); AND
- the hardship event must cause the family to experience a shelter burden in excess of 50 percent of gross or adjusted monthly income; AND
- As of November 2016 - in order to receive assistance in excess of 60 days (up to 6 months), households must be enrolled in the Family Self-Sufficiency Program.

3.2 **The Housing Authority of the County of San Bernardino (HACSB)** operates a five-year program with a flat subsidy based on 50% of the payment standard. HACSB requires all families to complete an annual assessment with a caseworker to examine income progression, employment status, and educational attainment and review progress toward achieving stated goals. At 18 months prior to exit, HACSB flags “at-risk” households and mandates their participation in monthly check-ins with caseworkers to develop a plan to become self-sufficient by the end of their term limit.

When compared to a local voucher program without term limits and additional supports, HACSB households showed a 26.7% wage increase from year 1 to 4 in comparison to a 19.7% increase. HACSB increased the number of families with earned income by 9.0% in comparison to 6.0%.⁴

HACSB’s hardship policy for term limited program participants is as follows:

- **Unforeseen loss of income:** Households experiencing a significant unforeseen loss of income such as loss of employment, within the last six months of participation. This one-time exception will provide six additional months of assistance.
- **Completion of Activity Related to Self-Sufficiency:** This exception will apply to families who need additional time to complete a self-sufficiency goal. The family must be actively working toward meeting the goal at the time the exception is requested (enrolled in the activity at least 6 months prior to term expiration), and the goal must be achievable within the term of the extension. This one-time exception will provide up to two years of additional assistance.

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⁴ HACSB Term-Limited Lease Assistance Program Fact Sheet - <http://ww2.hacsb.com/files/pdf/news-reports/fact-sheets/term-limited-program-2017-web-2.pdf>

Proposed Revisions

THA's existing HOP hardship policy allows households facing the 5 year expiration of their assistance to request an additional 90 days of assistance to meet a hardship as long as they request it at least eight (8) months prior to their voucher expiration date. This present policy needs some revision. THA is proposing changes to the hardship policy to do three things:

First, the changes would define "hardship" for households on the HOP program.

Second, the changes would have THA undertake an enhanced strategy to help work-able households increase their earned income. THA will seek to better identify households earlier who face extreme shelter burdens. Perhaps an earlier intervention will decrease the need for a hardship extension.

Third, the proposal would allow an extension of housing assistance hardship in two circumstances described in the proposed interim policy, which would read as follows:

1. Proposed Interim HOP Hardship Policy:

1.1 Unforeseen Loss of Income Hardship: 90 day Extension

Within three (3) months prior to the voucher expiration, households may request a 90 day hardship extension by showing:

1.1.1 an extraordinary change in circumstances resulting in an unforeseen loss of income that occurs within the three months prior to voucher expiration; and

1.1.2 the unforeseen loss of income must cause the household, once the rental assistance ends, to experience a shelter burden requiring more than 50% of its income for rent and utilities

1.2 Hardship Plus Completing a Qualifying Self-Sufficiency Activity: Up to 1 year Extension

Within 6 months prior to the voucher expiration households may request up to a 1 year extension by showing:

1.2.1 the household once the assistance ends would experience a shelter burden requiring more than 50% of its income for rent and utilities; and

1.2.2 the household must be engaged in the qualifying self-sufficiency activity at least six months prior to voucher expiration; and

1.2.3 the household must remain engaged in the qualifying self-sufficiency activity until the earlier of the end of the shelter burden or the end of the extension.

“Qualifying activities” are any activity for which all the following is true: (i) will be completed within a period of 1 to 12 months; (ii) must likely result in the reduction of shelter burden to below 50% by the end of the extension and for a sustained period beyond that end. Examples of qualifying self-sufficiency activities include: degree, vocational certificate, or homeownership programs and completion of FSS.

THA staff, in consultation with the household, will determine the duration of the extension but in no case shall it last longer than 1 year beyond the expiration of the 5 year time period.

Any adult member of the household may be engaged in the qualifying activity. This is not restricted to the head of household(s).

THA will eliminate the need for households to present their justification for their request to a review committee. Instead, we will use a simplified process to protect the dignity of the participant households and save THA staff time.

If a hardship request is denied, the household may request an appeal. THA will have up to 20 business days to review the request and make a determination.

Public Comments

THA offered the proposed changes for public comment and invited views from HOP households, landlords and the Northwest Justice Project. We received no comments from landlords. Comments from HOP households and the Northwest Justice Project are below. Staff do not propose any further edits in response to the comments.

Here are the comments we received from HOP households, and our response:

Comment	Response
Topic: Mandates Require HOP participants to meet with THA staff/community services regularly in order to receive a hardship extension. Use these meetings as a means to ensure households are working toward self-sufficiency.	THA does not currently require HOP households to meet with the community services team. THA has not implemented mandates because THA has been unwilling to remove families from the program for non-compliance. In the forthcoming HOP program evaluation, THA will explore the question of mandates and research the successes and failures at other agencies.

Comment	Response
<p>Topic: Mandates</p> <p>Institute a mandatory community service requirement for all HOP participants who are not working and those unable to work (including elderly/disabled households).</p>	<p>THA does not currently require HOP households to conduct community service. THA has not implemented mandates because THA has been unwilling to remove families from the program for non-compliance. In the forthcoming HOP program evaluation, THA will explore the question of mandates and research the successes and failures at other agencies.</p>

Here is a summary of the comments we received from the Northwest Justice Project (NJP), and our response:⁵

Comment	Response
<p>Topic: Definition of Unforeseen Loss of Income</p> <p>The interim proposal does not define or provide examples of what change in circumstances would qualify as "extraordinary." It also does not describe the time frame within which the "extraordinary change on circumstances" must have occurred. The lack of a definition or examples in the written policy of what, specifically, would constitute "an extraordinary change in circumstances," raises the potential for unequal application of the policy.</p>	<p>THA will consult our peers with similar policies and clearly define an unforeseen loss of income in order to ensure equal application of the policy.</p>
<p>Topic: Hardship Criteria</p> <p>Eliminate the proposed "change in circumstance" and "unforeseen loss of income" requirements from the 90-day extension, and base eligibility for this extension solely on whether the household will experience a shelter burden once HOP housing assistance terminates. Allow all HOP households to request an extension of up to one year based on hardship plus either a qualifying self-sufficiency activity or an unforeseen loss of income.</p>	<p>If THA granted extensions to all households experiencing a shelter burden greater than 50%, THA would extend rental assistance for over 60% of households exiting the program in 2018. This significant increase in programs would mean THA would serve fewer households. It would also remove the 5-year term limit for a majority of households. This action could provide a disincentive for households to increase their income.</p> <p>This proposed Hardship Policy change is an</p>

⁵ NJP comments on the Interim HOP Hardship Policy show in the attached letter of August 9, 2017

Comment	Response
	interim change mainly to be ready for next year's round of 5-year expirations. Later this year, THA will be reviewing other parts of the HOP program. That will be another chance to review this and other parts of the program.
<p>Topic: HOP Work-able Criteria</p> <p>Under the THA's current policy, only households in which every adult household member is either elderly, or receives monthly disability benefits, are exempt from the five-year assistance HOP assistance limit. We suspect that there are many HOP households who do not meet this very narrow definition, yet are nevertheless not realistically "work-able." "We strongly encourage the THA to consider revising its current definition of "work-able."</p>	<p>This proposed Hardship Policy change is an interim change mainly to be ready for next year's round of 5-year expirations. Later this year, THA will be reviewing other parts of the HOP program. That will be another chance to review this and other parts of the program.</p>

Recommendation

Authorize THA's Executive Director to revise adopt this interim change in the HOP Hardship Policy. This would change THA's Administrative Plan Chapter 18, section XXII.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (1) (Revising THA's HOP Hardship Policy)

WHEREAS, Tacoma Housing Authority's Housing Opportunity Program (HOP) has a five-year time limit for work-able households; and

WHEREAS, The first of these time limits will expire in March 2018; and

WHEREAS, THA's existing HOP hardship policy lacks a definition of hardship and is not well equipped to serve households facing hardship when their time limit expires and in a way that gives them a further incentive to improve their earned income; and

WHEREAS, Changes to the HOP Hardship Policy must be approved by THA Board of Commissioners; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

Authorize THA's Executive Director to revise THA's Administrative Plan Chapter 18, section XXII related to the Housing Opportunity Program (HOP) Hardship Policy to read substantially as follows:

1. Proposed Interim HOP Hardship Policy:

1.1 Unforeseen Loss of Income Hardship: 90 day Extension

Within three (3) months prior to the voucher expiration, households may request a 90 day hardship extension by showing:

1.1.1 an extraordinary change in circumstances resulting in an unforeseen loss of income that occurs within the three months prior to voucher expiration; and

1.1.2 the unforeseen loss of income must cause the household, once the rental assistance ends, to experience a shelter burden requiring more than 50% of its income for rent and utilities

1.2 Hardship Plus Completing a Qualifying Self-Sufficiency Activity: Up to 1 year Extension

Within 6 months prior to the voucher expiration households may request up to a 1 year extension by showing:

- 1.2.1 *the household once the assistance ends would experience a shelter burden requiring more than 50% of its income for rent and utilities; and*
- 1.2.2 *the household must be engaged in the qualifying self-sufficiency activity at least six months prior to voucher expiration; and*
- 1.2.3 *the household must remain engaged in the qualifying self-sufficiency activity until the earlier of the end of the shelter burden or the end of the extension.*

"Qualifying activities" are any activity for which all the following is true: (i) will be completed within a period of 1 to 12 months; (ii) must likely result in the reduction of shelter burden to below 50% by the end of the extension and for a sustained period beyond that end. Examples of qualifying self-sufficiency activities include: degree, vocational certificate, or homeownership programs and completion of FSS.

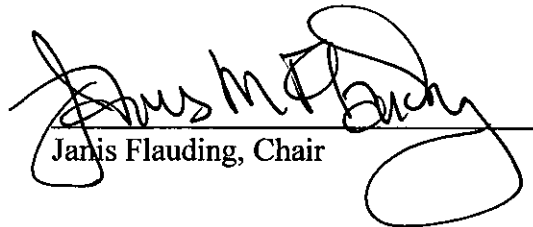
THA staff, in consultation with the household, will determine the duration of the extension but in no case shall it last longer than 1 year beyond the expiration of the 5 year time period.

Any adult member of the household may be engaged in the qualifying activity. This is not restricted to the head of household(s).

THA will eliminate the need for households to present their justification for their request to a review committee. Instead, we will use a simplified process to protect the dignity of the participant households and save THA staff time.

If a hardship request is denied, the household may request an appeal. THA will have up to 20 business days to review the request and make a determination.

Approved: August 23, 2017


Janis Flauding, Chair



Northwest Justice Project

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César E. Torres
Executive Director

August 9, 2017

VIA EMAIL

Aley Thompson, Project Manager
Tacoma Housing Authority
902 S L Street
Tacoma, WA 98405

Re: NJP Comments On Interim HOP Hardship Proposal

Dear Ms. Thompson:

Thank you for meeting with us last week to discuss Tacoma Housing Authority's (THA's) proposed changes to its Housing Opportunity Program (HOP) hardship policy. This letter summarizes our suggestions and comments regarding the proposed policy change.

We generally support the interim proposal that THA is considering and believe it is an improvement over current policy. We agree that households determined to be work-able who are nearing the 5-year limit for HOP assistance should have the opportunity to request a limited extension of their HOP housing assistance based on hardship. We have two suggestions: (1) THA should simplify the process and eligibility criteria to qualify for a hardship extension; and (2) THA should review, and consider revising, its policy governing which HOP recipients are determined "work-able," and therefore subject to the 5 year limit.

1. The Hardship Extension Process and Criteria

The interim proposal permits work-able HOP households to request either a one-time 90-day extension of HOP housing assistance, or an up to one-year extension of HOP housing assistance, based on hardship. To qualify for a 90-day extension for unforeseen loss of income, the HOP participant must show "an extraordinary change in circumstances resulting in an unforeseen loss of income" that will result in a "shelter burden" requiring the household to pay more than 50% of its income for rent and utilities once HOP assistance terminates.

We question the requirement in the interim proposal that a hardship applicant demonstrate "an extraordinary change in circumstances" to be considered for a hardship extension. The interim proposal does not define or provide examples of what change in circumstances would qualify as "extraordinary." It also does not describe the time frame within which the "extraordinary change on circumstances" must have occurred. The lack of a definition or



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examples in the written policy of what, specifically, would constitute “an extraordinary change in circumstances,” raises the potential for unequal application of the policy.

Further, we question the requirement that hardship extension applicant demonstrate an “unforeseen loss of income” to obtain a 90-day extension. There are very likely circumstances where a hardship extension would be warranted based not on an unforeseen loss of income, but where changed circumstances prevent the household from realizing an expected income increase, or where the work-able household members are employed, and have not experienced a significant change in employment or other circumstances, yet still have earnings that are not adequate to prevent a shelter burden once assistance is terminated.

Given the many variables impacting whether individual client households approaching the 5-year limit are “deserving” of a hardship extension, THA could consider the following alternatives to its current proposal:

- eliminate the proposed “change in circumstance” and “unforeseen loss of income” requirements from the 90-day extension, and base eligibility for this extension solely on whether the household will experience a shelter burden once HOP housing assistance terminates. Households with an established shelter burden could request either the short-term 90-day extension, or the longer term hardship extension with a qualifying self-sufficiency activity, depending on their individual circumstances; or
- allow all HOP households to request an extension of up to one year based on hardship plus either a qualifying self-sufficiency activity or an unforeseen loss of income. If a household who has been working and increasing their income, or has been engaged in qualifying self-sufficiency activity over time, but still experiences an unforeseen loss of income near the end of their five-year limit, they could receive the additional time needed (be it 30 days, 90-days or up to a year). Under this approach, we would also recommend ensuring that “qualifying self-sufficiency activity” includes efforts made by working families to increase their income to levels that would remove them from the “shelter-burdened” category.

A simplified HOP hardship extension policy would be easier to administer and less prone to the possibility of unequal application, yet still achieve THA’s announced goals of offering limited additional assistance to at-risk households, and engaging households for whom slightly longer term additional assistance would be beneficial, while still enforcing the five-year limit on work-able households who either do not request an extension, or cannot demonstrate that the termination of HOP housing assistance will cause a shelter burden.

2. Who is “Work-able”

As we discussed at the meeting last week, we are more broadly concerned about the current THA HOP policy’s definition of “work-able” households. Under the THA’s current policy,

only households in which every adult household member is either elderly, or receives monthly disability benefits, are exempt from the five-year assistance HOP assistance limit. We suspect that there are many HOP households who do not meet this very narrow definition, yet are nevertheless not realistically "work-able." We strongly encourage the THA to consider revising its current definition of "work-able."

There are likely, for example, HOP households that include at least one adult who receives TANF assistance who has been determined by the state WorkFirst program to be unable to work or engage in work activities, and is therefore exempt from the 5-year lifetime limit for TANF. See WAC 388-484-0006(2)(a), WAC 388-301-0350.¹ THA's HOP policy should recognize that TANF recipients whom DSHS has determined are exempt from WorkFirst participation for any of the reasons listed in WAC 388-484-0006(2)(a), are not "work able" for purposes of the HOP program.

Thank you again for meeting with us regarding the THA's HOP program, and for considering these comments and suggestions regarding the THA's Interim HOP Hardship Proposal.

Sincerely,

NORTHWEST JUSTICE PROJECT



Jennifer Bell

Todd H. Carlisle

Stephen Parsons

¹ The regulation exempts from WorkFirst requirements TANF recipients who have been determined disabled by a DSHS SSI facilitator or who are needed at home to care for a disabled child or other family member.