



## HRHA is Applying for Moving to Work Status

HRHA is applying to become a U.S. Housing and Urban Development (HUD)-designated Moving to Work (MTW) agency under HUD’s Rent Reform Demonstration Study. The main purpose of the program is to help families financially and support them as they go to work by minimizing increases in their rent payments.

The Rent Reform Demonstration will apply new rules to calculate the assistance provided to **some** Public Housing and Housing Choice Voucher households. The new program would change the policies and rent calculations for a group of program participants (the New Rent Rules Group) but not for others (Existing Rent Rules Group). Comparisons between the New Rent Rules Group and families assisted under the current rules (Existing Rent Rules group) will show whether the new policy helps tenants in the New Rent Rules group to increase income and save money and have better outcomes.

Households with an elderly or disabled head of household or families in the FSS or homeownership programs will not participate in rent reform. All other eligible households will be placed in the New Rent Rules Group or Existing Rent Rules Group through a lottery. If selected to be in the New Rent Rules Group, the family will have the following advantages:

### Time savings

- Fewer requirements to report changes in income will help households save valuable personal time.
  - Income recertification will only be conducted every three years.
  - Fewer changes in income will be reported to the PHA.

### Tiered Rent Structure

- HRHA will calculate a family’s income for rent purposes based on the prior year’s income. The family will be placed in a rent tier (bracket) according to their income. The family will pay the rent associated with that tier for 3 years even if their income goes up.

Below is an example of some of the rent tiers:

| Tier/Bracket | Tier Income Minimum | Tier Income Maximum | Tiered Rent |
|--------------|---------------------|---------------------|-------------|
| 1            | \$0                 | \$2,499             | \$50        |
| 2            | \$2,500             | \$4,999             | \$94        |
| 3            | \$5,000             | \$7,499             | \$156       |

A family earning between \$5,000 and \$7,499 would pay \$156 in rent each month for three years even if their income goes above the \$7,499.

### Income Benefits and a Savings Account

- Less frequent increases in tenant rent will help families save money.
- Households with employment income will keep more of their earnings after receiving a pay

increase, working more hours, or getting a better paying job.

- Households with no employment income will benefit by going to work because the tenant share of rent will not increase until the next recertification – in three years.
- The MTW Self-Sufficiency program will create a savings account for MTW families in which HRHA will deposit an amount equal to 30% of increases in income due to employment. The balance of the account will be available to the family at the end of the six-year study.

### **Simpler Rent Calculations**

- There is no need to verify expenses and calculate deductions before determining the rent.
- Assets are only verified and considered when total combined household assets are \$50,000 or more.
- Utility Allowances are simplified, while providing the same overall amount of housing assistance.
- Income used to calculate rent is the income actually received in the prior year.

### **Safeguards for households facing financial hardship**

- If a household's income decreases so that they drop into a lower category the household can request a hardship waiver for up to 12 months. The household would then pay the rent assigned to that category for as long as the hardship exists up to 12 months.
- If the hardship extends beyond 12 months, the family can request a renewal of the waiver.

### **More Support Services for All Families**

The MTW program will allow HRHA to offer more support services to all HRHA families regardless of whether they are part of the study. These services include:

- Caseworker to identify needs and coordinate services
- Assistance for HRHA children so that they access what they need to do well in school
- Partnerships with workforce development organizations, trade schools and other economic engines that are driving education and job creation in the area
- Assistance with transportation and childcare
- Support in searching for housing and leasing up
- Security deposit loan program to help families access better housing opportunities
- Vacancy loss and damage protection for landlords to encourage them to come onto the program
- Homeownership support for families that are interested or ready to buy
- Financial literacy, resume and skill building, interview assistance

### **Timeframe**

If selected for MTW status, HUD will give HRHA plenty of time to begin the program. It will take 12 months from the award date to get ready to enroll participants in the program and another 12 months to finish the enrollment process and start the rent reform study. This means that there will be no changes to rents until sometime in 2023 at the earliest.

Questions?

Please email HRHA at [MTW@hamptonrha.com](mailto:MTW@hamptonrha.com) with any questions. Answers to Frequently Asked Questions can be found at [www.hamptonrha.com/mtw](http://www.hamptonrha.com/mtw) by clicking on the MTW icon. We are here to help.