



Council of Large Public Housing Authorities

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Agenda for CLPHA Member Call on HOTMA Notice
November 5, 2019

Call details

Tuesday, November 5 at 3PM ET

Phone: 719-867-1571

Passcode: 836425#

Below are the major items for which HUD is seeking specific comment with CLPHA's response and query for members below.

1. Implications for PHA administrative burden of applying some sections of HOTMA to public housing, HCV, and PBV, while excluding PBRA and Section 202/811.
Given that all sections of HOTMA apply to PBRA and Section 202 for PHA owners, CLPHA does not anticipate additional administrative burdens here for PHAs.
2. Defining a "reasonable amount of time" for PHAs to conduct an interim reexamination and whether HUD should specify a specific time frame.
CLPHA proposes suggesting 60 days as a reasonable amount of time.
3. Whether PHAs should use the EIV System for initial, annual, and interim examinations or only for initial and annual examinations.
Given that EIV data is several months old, CLPHA proposes only using EIV for initial and annual examinations. We are interested to know if members see a value in using EIV at interim examinations.
4. Allowing PHAs to use income determinations from other public assistance programs, and what public assistance types should be permitted to be used.
CLPHA's position is that PHAs should be allowed to use other public assistance programs for income determinations, including TANF, Medicaid, and SNAP. However, it seems that PHAs would be responsible for obtaining the income information from the appropriate state or local agency, which could be extremely burdensome. In the notice, HUD also suggests that PHAs could use income information from the EITC, and it is unclear how PHAs would obtain residents' federal tax information. Income definitions across these programs also vary quite widely, which could complicate this process when an income determination from more than one program is available. CLPHA would like feedback on whether PHAs would find this safe harbor useful despite potential administrative headaches.

5. The definition of a “de minimis error” for the purposes of income calculations.
CLPHA supports HUD’s suggestion of a de minimis error threshold of no more than 5%, which aligns with current SEMAP requirements. However, we are interested in hearing from members about whether this suggestion is too low (or too high), whether a dollar amount would be preferable to a percentage-based error, and rather the 5% error rate should be calculated as a 5% error rate of all income calculations rather than each individual calculation.
6. Whether households using the earned income disallowance (EID) should be grandfathered out of this benefit, allowing them to continue using it up to two years from the effective date of the final rule implementing Section 102.
While the EID is being eliminated per the legislative language, CLPHA supports HUD’s proposal to allow PHAs to phase out the EID for those households currently using it.
7. Whether withdrawals from an insurance settlement for personal or property losses should be considered income.
CLPHA is interested in learning from members about the administrative burden required to track and verify this type of income.
8. Whether any other income sources not mentioned that should be excluded as income.
CLPHA is interested in learning whether there are any other income sources that we should specifically propose excluding. HUD is proposing to no longer exclude temporary, nonrecurring, or sporadic income. CLPHA would like to propose continuing to exclude this income source given the administrative challenges in tracking it.
9. Guidance on the implementation of hardship exemptions for health, medical, and childcare deductions, and what guidance HUD should provide PHAs for how to determine that a household is unable to pay rent due to one (or more) of these hardships.
It is unclear from the notice and HOTMA language how hardship is defined. CLPHA would like feedback on how to define hardship and how households should demonstrate hardship.
10. Whether there are any unintended consequences of permissive deductions, and whether PHAs should be able to use them as an employment incentive.
While CLPHA’s position is that permissive deductions are too administratively burdensome to be of great interest to PHAs, we would like to hear from members who support this option and see any positive potential benefits. CLPHA could argue that while the language does not allow permissive deductions if they “materially” increase federal expenditures, permissive deductions used as an employment incentive as HUD suggests could produce federal cost savings in other areas.
11. How a household could pass the real property restriction test by demonstrating that they do not have a present ownership interest in, legal right to reside in, or have effective legal authority to sell the property, and how the exception for domestic violence victims would be administered.

CLPHA is interested in hearing from members how a household could demonstrate this in a way that is least burdensome for the household and PHA.

12. Whether HUD should exclude personal property items valued at \$50,000 or less from the asset calculation, and if so, what items should be excluded.

CLPHA supports the exclusion of items such as a car and medical equipment and is interested in other items that members might support excluding that could be considered essential for successful daily living and employment.