

Lorain Metropolitan Housing Authority Public Housing Minimum Rent Policy

As indicated by HUD's Notice of Initial Guidance, published February 18, 1999, the rent provisions are effective for families as they are admitted, re-examined or re-certified, on or after October 1, 1999. The 1998 Act requires PHA's to give families a choice among options for rents. The options provided must include at least a flat rent amount and an income-based rent amount. This choice must be given to each family annually. PHA's must provide residents with enough information to make an informed choice. For example, the PHA could provide the family with both the income-based rent amount and the flat rent amount for the unit. LMHA shall provide each applicant/tenant the choice of the following:

► **Income Based Rent:** The monthly rental amount, including any applicable utility allowance, calculated under this method must not exceed the highest of the following:

- 30% of the family's monthly adjusted income
- 10% of the family's monthly gross income

► **Minimum Rent:** The monthly rental amount cannot be less than the minimum rent set forth by the PHA. LMHA's minimum rent for public housing units is fifty dollars (\$50.00). This new minimum rent will be implemented effective July 1, 2014. (Added Feb 2012) (July 2014)

The QWHRRA established certain exceptions to the minimum rent requirements for hardship circumstances. LMHA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The PHA will review all relevant circumstances brought to their attention regarding financial hardship as it applies to minimum rent set forth by the Quality Housing and Work Responsibility Act of 1998. LMHA has adopted the following discretionary minimum rent hardship exemptions: (Added Feb 2012)

Criteria for Hardship Exemption

In order for a family to qualify for hardship exemption, the family's circumstances must fall under one of the following hardship criteria:

The family has lost eligibility or is awaiting eligibility determination for federal, state, or local assistance.

The family would be evicted as a result of the imposition of the minimum rent requirement.

The income of the family has decreased because of changed circumstances, including loss of employment, death in the family, or other circumstances as determined by LMHA or HUD. (Added Feb 2012)

Suspension of Minimum Rent

The PHA will grant the minimum rent suspension to all families who request it effective the first of the following month.

The minimum rent will be suspended until the PHA determines whether the hardship meets the criteria for exemptions and whether it is temporary or long-term.

“Temporary” means verified to last less than ninety (90) or more days. “Suspension” means that the PHA must not use the minimum rent calculation until the PHA has made a decision.

During the minimum rent suspension period, the family will not be required to pay the minimum rent.

The PHA may not evict the family for nonpayment of rent during the ninety (90) day period beginning the month following the family’s request for a hardship exemption.

If the PHA determines that there is no qualifying hardship, the PHA will reinstate the minimum rent, including payment for minimum rent from the time of suspension. The PHA will determine whether a repayment agreement is feasible in accordance with the repayment policy. (Added Feb 2012)

Temporary Hardship Suspension

If the PHA determines that the hardship is temporary, the PHA must reinstate the minimum rent from the beginning of the suspension of the minimum rent. The PHA must offer the family a reasonable repayment agreement, in accordance with its repayment policy, for the amount of back minimum rent owed by the family. (Added Feb 2012)

Long-Term Duration Hardship Exemption (24CFR5.63(b)(2)(iii)(B))

If the PHA determines that there is a qualifying long-term financial hardship, the PHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family’s request for exemption.

All exemption requests must be in writing and directed to the Project Manager. The manager in turn will refer these requests to Resident Services to assist the family with establishing goals to obtain income in the form of benefits or employment. The Executive Director will make the final decision in regard to hardship exemptions.

If a family requests a hearing under the LMHA grievance procedure to review the LMHA’s determination denying or limiting the family’s claim to a financial hardship exemption, the family is not required to pay any escrow deposit in order to obtain a grievance hearing on such issues. (Added Feb 2012)