



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6515-N-01]

Waivers and Alternative Requirements for the Jobs Plus Initiative Program

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice.

SUMMARY: Since Fiscal Year (FY) 2014, the Jobs Plus Pilot initiative program (commonly known as Jobs Plus or “JP”) has provided competitive grants to partnerships between public housing authorities (PHAs), local workforce investment boards established under section 117 of the Workforce Investment Act of 1998, and other agencies and organizations that provide support to help public housing residents obtain employment and increase earnings. On March 29, 2018, HUD published a *Federal Register* notice announcing waivers and alternative requirements for Jobs Plus. This notice establishes a new rent incentive structure in accordance with the Housing Opportunity Through Modernization Act of 2016 (HOTMA) (approved July 29, 2016), for FY 2025 and future Jobs Plus grants. This notice also states that Jobs Plus grants awarded for FY2023-2024 and prior FYs are subject to 24 CFR 960.255(e)(2) and must continue to implement the Jobs Plus rent incentive in accordance with the Jobs Plus Earned Income Disregard (JPEID) structure.

DATES: *Applicability Date:* **INSERT DATE OF PUBLICATION IN FEDERAL REGISTER.**

FOR FURTHER INFORMATION CONTACT: To assure a timely response, please electronically direct requests for further information to this email address: JobsPlus@hud.gov. Requests may also be directed to the following address: Ms. Jody Moses, Office of Public and Indian Housing, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 5151, Washington, DC 20410; telephone number (202) 402-5788 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard

of hearing, as well as from individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION:

I. Background

Jobs Plus promotes economic empowerment in low-income areas by providing funding to PHAs to develop locally-based, job-driven approaches to increase earnings and advance employment outcomes of public housing residents through work readiness, employer linkages, job placement, educational advancement, technology skills, and financial literacy. The Jobs Plus model relies on three components: 1) employment-related services; 2) community support for work; and 3) a financial incentive (i.e., rent incentive), which currently excludes from the family rent calculation 100 percent of a participating resident's incremental earned income for a period of up to 48 months or the end of the grant term (whichever is sooner). The rent incentive is the focus of the notice and removes a major disincentive to employment by neutralizing any rent increase due to increasing earned income.

Congress first appropriated funds for the program in the Consolidated Appropriations Act of 2014, (Pub. L. 113-76, approved January 17, 2014), and continued to appropriate funds for the program in each subsequent fiscal year. The most recent appropriation is the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4, approved March 14, 2025). Each year, the appropriations act provisions pertaining to Jobs Plus have remained substantially similar and provide HUD the authority to waive rent and income limitation requirements under sections 3 and 6 of the United States Housing Act of 1937, as amended, (the Housing Act), (42 U.S.C. 1437a, 1437d), and provide alternative requirements implementing the Jobs Plus rent incentive.

As part of the implementation of the Jobs Plus program, HUD has published two prior *Federal Register* notices to announce waivers and alternative requirements for Jobs Plus,

specifically concerning the rent incentive. The first notice, “Jobs-Plus Pilot Initiative program,” was published on March 13, 2015 at 80 FR 13415 (the 2015 notice). The 2015 notice was replaced by a second notice, “Waivers and Alternative Requirements for the Jobs Plus Initiative Program,” which was published on March 29, 2018 at 83 FR 13506 (the 2018 notice). Under the 2015 and 2018 notices, the Jobs Plus Earned Income Disregard (JPEID) was largely established by HUD waiving section 3(d) of the United States Housing Act of 1937 (42 U.S.C. 1437a) and its implementing regulations at 24 CFR 960.255. The 2018 notice continues to apply to FY2023-2024 and prior Jobs Plus grantees (as described below) but not to FY2025 and subsequent FY Jobs Plus grantees.

This notice, referred to as the 2025 notice, is essential to comply with the statutory requirements established by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) (Pub. L. 114-201, 13 Stat. 782) (approved July 29, 2016). HOTMA removed the standard public housing Earned Income Disregard (EID), which was the foundation for JPEID and the 2015 and 2018 notices. Specifically, section 102(a)(2) of HOTMA eliminated section 3(d) of the Housing Act (42 U.S.C. 1437a(d)), which allowed for the exclusion of earned income increases from annual income calculations for a limited time period for determining rent. Due to the removal of the EID provision, the Jobs Plus incentive will no longer be applicable for grants in FY2025 and subsequent fiscal years. As a result, HUD is using the authority granted in the most recent authorization, the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4, approved March 14, 2025), to waive sections 3 and 6 of the Housing Act, as explained in Appendix 2, to establish a new Jobs Plus rent incentive for FY2025 and subsequent FY grants.

Subsequently, HUD implemented HOTMA via the “Housing Opportunity Through Modernization Act of 2016: Implementation of Sections 102, 103, and 104”, 88 FR 9600 (Feb. 14, 2023) (HOTMA final rule) revising 24 CFR 960.255(e)(2) (Self-sufficiency incentives), effective January 1, 2024. The final rule permits families “eligible to receive the Jobs Plus

program rent incentive pursuant to the Jobs Plus FY2023 notice of funding opportunity (NOFO) or earlier appropriations and distributed through prior Jobs Plus NOFOs,” to continue to receive the disallowance of increase in annual income (i.e., they may continue to use the rent incentive structure associated with those years, which is the JPEID). The FY2023 Jobs Plus NOFO was reopened on December 12, 2023, to include FY 2024 funds, solicit additional applications under the FY2023 NOFO, and to obligate the bulk of FY2023 and FY2024 Jobs Plus funding within the fiscal year.

Accordingly, HUD’s implementation of HOTMA as explained above applies to grants (and the families they serve) awarded under the reopened FY2023 NOFO and prior years’ NOFOs, as described in Appendix 1 of this notice. However, families eligible to receive the Jobs Plus rent incentive in connection with FY2025 and future appropriations/NOFOs and grants awarded thereunder are subject to the new rent incentive, the Jobs Plus Deduction (JPD), as described in Appendix 2 of this notice.

HUD will announce any other revisions to waivers and alternative requirements for Jobs Plus in future Federal Register notices.

II. Environmental Review

This Notice involves administrative and fiscal requirements related to income limits and exclusions regarding the calculation of rental assistance which do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this Notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Heidi Frechette,

General Deputy Assistant Secretary for Public and Indian Housing.

Appendix 1 – Jobs Plus Waivers and Alternative Requirements for FY2023-2024 and Prior Fiscal Years’ Jobs Plus Grants

Appendix 1 applies to Jobs Plus grants serving individuals eligible to receive the Jobs Plus program rent incentive pursuant to the Jobs Plus reopened FY2023 (2023-2024) and prior FYs’ NOFOs.

The HOTMA final rule revised 24 CFR 960.255(e)(2) to state: “This section [‘Self-sufficiency incentives—Disallowance of increase in annual income’] applies to a family that is: ...Eligible to receive the Jobs Plus program rent incentive pursuant to the Jobs Plus FY2023 NOFO or earlier appropriations and distributed through prior Jobs Plus NOFOs.” Accordingly, Jobs Plus grants awarded for FY2023-2024 and prior FYs are subject to 24 CFR 960.255(e)(2) and must continue to implement the Jobs Plus rent incentive in accordance with the JPEID structure of the disregard/disallowance. Grantees administering FY2023-2024 or prior Jobs Plus grants must not change to the newly established Jobs Plus Deduction structure (described in Appendix 2). As such, FY2023-2024 and prior FYs’ grants must continue following the 2018 notice, their respective NOFO, grant agreement(s), and using guidance and any applicable tools provided by HUD for their specific grant(s).

Appendix 2 – Jobs Plus Waivers and Alternative Requirements for FY2025 and

Subsequent Fiscal Years’ Jobs Plus Grants

Appendix 2 applies to Jobs Plus grants serving individuals eligible to receive the Jobs Plus program rent incentive pursuant to the Jobs Plus FY2025 and subsequent FYs’ NOFOs. FY2025 and subsequent FYs’ grantees must not implement the JPEID structure used by FY2023-2024 and prior grants (described in Appendix 1). FY2025 and subsequent FYs’ grantees must, instead, follow the new Jobs Plus rent incentive established in this Appendix 2. Effective January 1, 2024, section 102(a)(2) of HOTMA eliminated the Earned Income Disregard (EID) in Section 3(d) of the U.S. Housing Act of 1937, as explained above in the 2025 notice. The new Jobs Plus rent incentive is called the Jobs Plus Deduction (JPD). Implementation of the Jobs Plus program and the JPD should be considered in the context of conforming to HOTMA requirements, while also considering policies that support the Jobs Plus program intent to support resident wellbeing, build communities with a culture of work, increase earnings and advance employment outcomes of public housing residents.

A PHA awarded a Jobs Plus grant for FY2025 or subsequent FYs shall establish a written policy for the JPD that must be included in its agency policies and administer it accordingly. The records associated with the calculated deducted amounts shall be provided to HUD per the terms and conditions of the Grant Agreement, and any applicable HUD requirements. Additional instructions for the JPD, including submission of records, will be provided at a later date.

The Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4, approved March 14, 2025) authorizes HUD to waive or alter the rent and income limitation requirements under Sections 3 and 6 of the United States Housing Act of 1937 as necessary to implement the Jobs Plus grant program. The list of waivers and alternative requirements for these grants is as follows:

I. Review of Family Income Waivers and Alternative Requirements

Provisions waived: Section 6(c)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437d), Sections 3(a)(6)(A)(ii), (iii), (iv) of the United States Housing Act of 1937 (42 U.S.C. 1437a), Section 3(a)(7)(A-C) of the United States Housing Act of 1937 (42 U.S.C. 1437a), 24 CFR 5.609(c)(1) , 24 CFR 960.257(a)(1)-(2), and 24 CFR 960.257(b)(1)-(3).

Alternative requirements: The PHA shall calculate the adjusted income for Jobs Plus participants enrolled in the JPD separately from other income deductions for the purposes of determining the amount to be deducted in connection with the JPD. After the earned income baseline has been set, the PHA must not conduct additional income examinations, for purposes of rent calculation, when a JPD participant's earned income increases until the end of a resident's JPD participation. The PHA shall conduct income examinations at the beginning of a resident's participation in the JPD (i.e., when the resident enrolls in JPD) to set the participant's earned income baseline, and at end of a resident's JPD participation period identified in section II below. The PHA shall conduct income examinations requested by JPD participants when their earned income decreases regardless of the amount. Any income examination completed after the earned income baseline is set must not reset the participants' earned income baseline.

II. Adjusted Income/Additional Deduction Alternative Requirements

Provisions affected: Section 3(b)(5)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a) and 24 CFR 5.611(b). While HUD is not waiving section 3(b)(5)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a) nor 24 CFR 5.611(b), it is creating alternative requirements.

Alternative requirements: The PHA shall adopt a deduction specifically for JPD, to be used only when calculating any Jobs Plus participant's adjusted income under a grant made pursuant to the FY2025 or subsequent FYs' NOFOs. Per 24 CFR 5.611, adjusted income is calculated by subtracting mandatory and additional deductions from the annual income (as determined under 24 CFR 5.609) of the members of the family. The PHA must establish a written policy for the deduction. The JPD must deduct from a JPD participant's annual income

during rent calculations at any income examination or reexamination – all incremental increases in earned income due to employment for a period of up to 48 months, beginning on the date on which the public housing resident enrolls in the JPD, and ending after 48 months, at the end of the grant period, or at the end of the applicable grace period for participants determined to be over-income for public housing, whichever is soonest. All residents in a Jobs Plus project are eligible to receive the JPD benefit, even if they do not actively participate in other Jobs Plus activities, but they must choose to enroll (documentation determined by PHA) in the JPD portion of the Jobs Plus program.

As JPD is an individual benefit, only individual members of a family in a Jobs Plus public housing project that have enrolled in JPD may receive the benefit of the JPD for their rent calculation. Grantee PHAs shall document the JPD enrollment, including the enrollment date. Each JPD participant's income must be verified by the PHA to set the participant's baseline earned income for the purpose of rent calculation during their JPD participation. Residents transitioning from a prior earned income incentive to JPD may choose to retain their earned income baseline set when they began the prior financial incentive. Residents must be able to choose whether they want to enroll in JPD or enroll/continue in another financial incentive that is available to them (e.g., FSS escrow). Residents may only benefit from one financial incentive at a time (e.g., a resident cannot participate in both JPD and FSS escrow at the same time). The PHA shall not automatically enroll residents in the Jobs Plus program, the JPD, nor set up Individual Savings Accounts in lieu of providing the JPD.

Grantee PHAs are not eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of the JPD. Any compensation to the PHA for lost rent revenues will be manually adjusted by HUD to prevent overpayment of Public Housing Operating funds to grant recipients. PHAs shall use funds received through their Jobs Plus grant funds to account for lost rental revenue due to the application of the JPD. To facilitate such reimbursements, grantees shall calculate and document each JPD participant's Family Rent at the

time of income examination, both before and after the application of the JPD. The difference between these two rents is the amount to be reimbursed to the PHA due to the JPD.

There shall be no phase-in or phase-out period for families participating in Jobs Plus. Upon the resident's completion of the JPD period, the resident's adjusted income will be recalculated at the next annual or interim income examination accounting for all earned income, in accordance with 24 CFR part 5, subpart F.

[FR Doc. 2025-15376 Filed: 8/12/2025 8:45 am; Publication Date: 8/13/2025]