

## 2018 Mid-Year Significant Changes to the Housing Choice Voucher Administrative Plan

The changes appear below in red with an explanation following in italics.

### 1. Chapter 3: Applying for Admission, page 3-2

#### **C. PRE-APPLICANT STATUS WHILE ON THE WAIT LIST** (24 CFR §982.204)

Pre-applicants are required to inform the PHA of any changes in family composition, income, address, or preference status ~~in writing~~ within 30 days of the change by going to [www.sacwaitlist.com](http://www.sacwaitlist.com) and using their update code to update the information submitted on the pre-application. Changes submitted in writing will still be accepted however ~~but families on the wait list will be encouraged to submit their changes on line where it is for faster, secure updates. more accessible and more secure.~~

*Families on the wait list can now update their information by going to [www.sacwaitlist.com](http://www.sacwaitlist.com) and using an update code to access their application and update their household members, income, address, phone number and email. This process is more efficient because it is immediate (no need to wait for documents to be sent/received in the mail), the family updates their information themselves, and more accessible (because the process can be completed on any device with access to the internet) and more secure.*

### 2. Chapter 10: Housing Quality Standards and Inspections, page 10-8

#### **L. LEAD SAFE HOUSING RULE (LSHR)** (24CFR Part 35, PIH 2017-13):

When a child under six (6) is identified with an EBLL (Elevated Blood Lead Level), the PHA working in concerted effort with the owner must take certain steps:

- Verify EBLL with medical provider or health department
- Notify health department within 3 days
- Notify HUD within 3 days
- Lead Risk Assessor must perform environmental investigation within 15 days
- Notify family of investigation results within 15 days
- If lead based paint hazards are found, engage a certified renovation firm to “control” the hazard in other units in a multi-family property; and notify residents of the complex
- If lead based paint hazards are found in other units, engage a certified renovation firm and notify residents of the results
- Relocate residents as necessary
- Complete lead hazard control of all affected units within 30 days
- Ensure all units pass clearance as determined by a certified risk assessor
- Notify all residents that lead hazard control was completed in a multi-family complex.
- Notify HUD s of completion within 10 business days.

<u>Activity</u>	<u>Responsible Party - THE PHA</u>	<u>Responsible Party - Landlord</u>
<u>Initial Notification of confirmed case to HUD</u>	* —	* —
<u>Verification, when necessary</u>	* —	
<u>Initial notification of confirmed case to public health department, when necessary</u>	* —	** —
<u>Environmental Investigation</u>	* —	
<u>Lead Hazard Control</u>		* —
<u>Lead Hazard Control Enforcement</u>	* —	
<u>Clearance after work is completed</u>	* —	** —
<u>Notification to other residents</u>		* —
<u>Ongoing LBP Maintenance</u>		* —
<u>Monitoring of owner's compliance with LSHR and HQS</u>	* —	

Legend: \*\* denotes landlord responsibility. However, landlord must work in concerted effort with PHA to ensure the activity is completed.

The PHA is the designated party responsible for ensuring compliance with all the regulations.

*This language was added to be compliant with the United States Department of Housing and Urban Development (HUD's) Public and Indian Health (PIH) Notice 2017-13.*

3. Chapter 11: Owner rents, Rent Reasonableness, and Payment Standards, page 11-1

**B. MAKING PAYMENTS TO OWNERS** (24 CFR §982.451)

Once the HAP contract is executed, the PHA begins processing payments to the owner. The PHA issues payments to landlords via direct deposit. As a requirement, all landlords must agree to Electronic Funds Transfer (EFT) as the sole method of payment. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made to the HAP Register for the following month. Payments are disbursed by the PHA's Finance Division to the owner each month. Payments may not be picked up by owner at the PHA. Exceptions may be made with the approval of a Supervisor in cases of hardship. Payments that are not received will not be replaced until a request has been received from the payee and a stop payment has been placed on the payment. A request for stop payment will be processed no sooner than ten (10) days after the payment issuance date.

*This is a policy change and provides landlords with faster more secure payment.*

**D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM** (24 CFR §982.503)

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at the PHA's discretion, the Payment Standard amount is set by the PHA between 90% and 110% of the HUD-published FMR by bedroom size. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90% to 110% of the new FMR, unless an exception payment standard has been approved by HUD. Any changes must be completed no later than 90 days following HUD's publication of the new amounts.

When determining the amount to be established for the payment standard, the PHA will consider:

- 1) The success rate of families with vouchers leasing units;
- 2) The trending of contract rent amounts in the market;
- 3) The rent burden of participating families;
- 4) The budget available; and
- 5) The lease up rate.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities. However, the payment standard cannot be approved for an amount over 120% of the Fair Market Rent.

**Small Area FMR**

Beginning in 2018, HUD published Small Area FMRs (SAFMRs) determined by zip code as well as the metropolitan wide FMRs. All the rules that apply to the FMRs also apply to SAFMRs and any references to FMRs are intended to include SAFMRs also.

The SAFMRs will be implemented effective April 1, 2018.

Where the payment standard is decreasing due to the new SAFMRs, the PHA will hold the families harmless as long as they continue to live in the same assisted unit with a current HAP contract after April 1, 2018.

Where the payment standard is increasing due to the new SAFMRs, the PHA will implement the change at the next annual recertification.

Only the HCV tenant-based voucher program utilizes SAFMRs. Programs that will continue to use the metropolitan FMRs include but are not limited to:

- Continuum of Care programs (Shelter Plus Care);
- Moderate Rehabilitation; and
- Project-based vouchers (unless both the owner and the PHA agree to the change. See Chapter 21 for more information).

*This change was made to comply with HUD PIH Notice 2018-1. Language was added to the Glossary making the use of FMR and Small Area FMR interchangeable throughout this document.*

5. Chapter 19: Special Housing Types, page 19-6

The rent of the manufactured home space (including other eligible housing expenses) is the total of:

- (a) the rent charged for the manufactured home space;
- (b) the owner, maintenance and management charges for the space;
- (c) the monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- (d) the applicable allowances for tenant paid utilities.

The PHA must not approve a lease for a manufactured home space until the PHA determines that the initial rent to owner for the space is reasonable rent, and the rent to owner for the space must not exceed a reasonable rent during the assisted tenancy. In addition, the PHA must re-determine that the current rent to owner is a reasonable rent at least annually during the assisted tenancy. (See 24 CFR 982.622(b)(2))

Debt service for setup charges incurred by a family may be included in the monthly amortization payments made by the family but not increased debt service due to refinancing. Set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

*This change was made in compliance with PIH Notice 2017-18.*

6. Chapter 21: Project Based Housing Choice Voucher Program, page 21-3

**Non-Competitive Process**

A PHA may provide PBV assistance to improve, develop, or replace a public housing property or property that it controls or has an ownership interest in without using a competitive process in compliance with HOTMA (H.R. 3700 Housing Opportunities Through Modernization Act of 2016, Section 106).

Additionally, the PHA may add units to an existing PBV HAP Contract without engaging in a competitive process in order to preserve funding or provide additional resources to serve homeless families.

*This language is added as a result of the new legislation allowing this option.*

The PHA intends to apply a project-based voucher to a unit of housing owned by the PHA, but not receiving HUD assistance. The PHA is planning to replace a public housing property that it controls and has an ownership interest in without using a competitive process (PIH 2017-21,

page 48). Specifically, the unit at 3380 Taylor Street, Sacramento will receive a project based voucher contract without following a competition so that the unit at 3867 Bainbridge Drive, North Highlands, a unit under a public housing Annual Contributions Contract, can undergo disposition.

*Per HUD guidelines, this language specifically mentions the address in public housing that the PHA plans to remove from the public housing inventory and lists the alternative unit to be given a project-based voucher so that there is not a net decrease in the number of affordable units in this jurisdiction.*

7. Chapter 21: Project Based Housing Choice Voucher Program, page 21-4

4) The Type of Housing to Be Funded

Single or multi-family units may be considered. “Tiny homes” can be considered if it will pass HQS standards at the time of occupancy. For a complete listing of all ineligible units refer to 24 CFR Parts 983.53 and 983.54.

*Tiny homes were not mentioned previously and so the PHA added this language to be inclusive.*

1) Number of Units to Be Funded

The PHA may issue an RFP for housing at any time in order to create affordable housing stock that remains available to families independent of market conditions. As required, the PHA will continue to notify HUD before an RFP is published. The PHA will ensure that the number of project-based units does not exceed the maximum allowed.

*The PHA added language to allow future Request For Proposals for project based vouchers to serve homeless families.*

8. Chapter 21: Project Based Housing Choice Voucher Program, page 21-14 to 21-18

**G. ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST/TENANT SELECTION**

**Types Of Wait Lists**

The PHA will establish separate wait lists for:

1) Tenant-Based Vouchers

Tenant-based assistance is attached to the family allowing the participant to relocate from one unit or PHA to another. Preferences are found in Chapter 4 of the Administration Plan.

2) Project-Based Vouchers

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies. Vacant units will be filled by families on the current Project-Based wait list, in order of preference, and then by date and time the pre-application was received where preferences are the same.

The PHA may choose to use an existing list to serve another site using the same preferences or it may choose to create a new site-based wait as the need arises. The PHA may also receive referrals from homeless service providers to be added to the wait list, whether the wait list is open or closed, in order to house homeless families.

Wait lists may be site-based or the waitlists for different sites may be consolidated if the preferences and/or eligible population are the same. Information about which wait lists serve which sites, and how to access different sites with project-based vouchers, will be posted at [www.sacwaitlist.com](http://www.sacwaitlist.com).

Applicants who will occupy PBV units must be selected by the PHA from a wait list that is maintained by the PHA. They may either apply when the wait list is open or they will be referred to the wait list by an agency serving homeless families.

When a site-based PBV wait list has been exhausted, the PHA will fill vacant units with families referred to the wait list by the site's owner/manager.

#### Funding-Based Preferences

The following funding-based preferences will apply to all sites with project based vouchers, unless there are other restrictions in place that affect who can live at the site. Additionally, each site has local preferences that apply to specifically to that site.

- 1) Displaced by government action preference for families who have been terminated from housing as a result of insufficient funding. These families will be added to the HCV Program wait list even if the wait list is closed and will be given 30 preference points. Displaced families must submit any changes to their address in writing to ensure they receive notices from the PHA. When funding is available, these families will be selected from the wait list first. Families will be selected to be re-admitted to the HCV Program based on their original admission date. Families with the earliest admission dates will be the first to be re-admitted. The PHA will verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for families who have been displaced due to insufficient funding. (30 points)
- 2) Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. These families will be returned to the wait list and will be awarded preference points based on their status. Families must submit any changes to their address in writing to ensure they receive notices from the PHA. When funding becomes available the PHA will select families based on the effective date of their original voucher. Families with the earliest voucher effective date will be the first to be selected. The PHA will re-verify eligibility and background checks only—not preferences. (29 points)

## Sites with Public Wait Lists

### 1) Units for Elderly Families

- Washington Plaza,
- Sutterview, and
- Sierra Vista.

The PHA currently maintains one wait list for project-based vouchers for sites serving elderly-only residents. This wait list may be used to serve additional sites serving the same population or the PHA may choose to separate wait lists to serve a specific site. This wait list will be subject to the following weighted preferences:

#### Local Preferences

- Family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
  - Elderly only (16 points)
  - For elderly only housing, near elderly (aged 50-61 years of age) (8 points)
  - Residency (4 points)
  - Veteran (2 points);
  - Rent burden and/or homeless (1 point)
- (See “Definition of Preferences” for more detail.)

### 2) Phoenix Park

The Housing Authority may maintain one wait list for project-based vouchers where supportive services are not provided or the PHA may choose to maintain separate wait lists for different sites. Currently, this wait list serves this site only, but the Housing Authority may choose to use this list for other sites using the same preferences or choose to create a new site-based wait as necessary. This wait list will be subject to the following local preferences:

#### Local Preferences

- Family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
- Residency (5 points);
- Veteran (3 points);
- Disability (2 points); and
- Rent burden and/or homeless (1 point).

(See “Definition of Preferences” for more detail.)

### 3) Saybrook Apartments / Serna Village

The Housing Authority may maintain one wait list for project-based vouchers where supportive services are provided or the PHA may choose to maintain separate wait lists for different sites. Currently, this wait list serves Saybrook Apartments and Serna Village, however the PHA may choose to use this list for additional sites using the same preferences or choose to separate this

list to create new separate site-based wait lists to serve a specific site. This wait list will continue to exist until all the families are pulled.

NOTE: Saybrook will also receive referrals from the Continuum of Care as described in a later section.

The wait list will be organized based on the following local preferences:

Local Preferences

- Family who is eligible to be a qualified family and based on supportive services and who is residing in unit at the time of conversion to project-based voucher property will be given an absolute preference;
- Homeless (5 points);
- Have a disabled family member (5 points).
- Residency (3 points);
- Veteran (1 point).

**Sites with Wait Lists Filled Via Referrals**

Sites serving homeless families with services

- 7<sup>th</sup> & H,
- Martin Luther King Village,
- Shasta Hotel,
- Victory Townhomes,
- Courtyard Inn

The PHA has issued, and expects to periodically issue Requests for Proposals (RFPs) for project-based vouchers to serve homeless families where services are provided at/in close proximity to the site to support the families in their efforts to become stably housed. Because homeless families/individuals are not easily served with a wait list, the site awarded PBV for this purpose can request that families filling vacant units come via referral from a partnering service agency. Wait lists for these properties are not open to the public but are open to receiving referrals from partnering service agencies, as shown at [www.sacwaitlist.com](http://www.sacwaitlist.com).

When considering the utilization of this methodology to fill vacant units, the PBV Site Owner/Developer will submit to the PHA:

- A. A letter on letterhead
  1. requesting to fill vacant units via referrals from the service provider to the wait list;
  2. committing to notify the PHA when/if there is a new service provider;
- B. A copy of the contract between the service provider and the site owner/developer;
- C. A certification from the service provider that they will not deny services to member of any federally protected class under fair housing laws, i.e., race, color, religion, national origin, sex, disability, or familial status.
- D. Signed copy of SHRA's Personally Identifiable Information (PII) document.



The wait list will be open for these sites to receive referrals of homeless individuals/families from the service providers to the wait lists only.

Local Preferences:

- Referred by Service Provider (100 points)

For families with the same preferences, families will be pulled from the wait list based on date and time of the pre-application.

**Sites Without Wait Lists (VASH)**

The PHA will establish wait lists to fill vacancies in sites receiving project-based vouchers, EXCEPT for project-based VASH (Veteran Affairs Supportive Housing) Vouchers. Per HUD and VASH guidelines, the Department of Veteran’s Affairs will provide referrals for families to VASH PBV projects. The owner or property management company for the PBV complex must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner’s notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies.

**Sites Serving Homeless Families in Partnership with the Continuum of Care (Saybrook)**

Coordinated entry, managed by Sacramento Steps Forward, will annually refer families to fill up to 15 vacancies at Saybrook Apartments. (PIH Notice 2013-15) The remainder of the vacant units will be filled from the site-based wait list managed by the PHA.

Local Preferences:

- Referred by Coordinated Entry (100 points)

*This section was re-written to add more detail about each site utilizing project based vouchers.*

*Additionally, the PHA is changing its process to serve homeless families from using a public wait list to serve homeless families to taking referrals from agencies serving homeless families and working in partnership with Coordinated Entry. It is believed that this will be a more effective and efficient process to serve families currently experiencing homelessness and is consistent with PIH Notice 2013-15.*

9. Chapter 23: Performance Partnership Pilots for Disconnected Youth (P3), page 23-1

**FAMILY ELIGIBILITY AND SELECTION**

The PHA will receive referrals from an approved third party provider(s). Written documentation of these referrals must be maintained in the tenant file at the PHA.

Local Preferences:

- Referred by Service Provider (100 points)

*Referrals will be added to the wait list with sufficient preference points to come to the top. They will be immediately pulled from the wait list until 100 youth are housed.*

10. Chapter 23: Performance Partnership Pilots for Disconnected Youth (P3), page 23-1

**MASTER LEASING**

Master leasing is an option that exists within the P3 program.

The PHA may procure a third party to manage the rental of several rental units, either at one site or at scattered sites. An owner/developer with project based vouchers may also choose to master lease some or all of the units at the site. The role of the master leasing agency is to:

- Issue leases with tenants
- Collect rent monthly
- Maintain and operate the property on behalf of the owner and/or property manager;
- Ensure that vacant units are leased timely by referring families/individuals to the wait list in sufficient number to cover vacancies for 6 months
- Work with the PHA to ensure eligibility of families referred for housing
- Screen and select tenants
- Provide intervention and supportive services to residents to meet their needs

There will be a contract between the master leasing organization and the property owner and an additional contract between the master leasing organization and the Housing Authority.

*The P3 grant allows for master leasing but the regulations governing the HCV program do not include any language allowing for this option. The language above was added to allow for this creative and innovative option to provide housing for homeless youth.*