



Legislation Text

File #: 14-1305, **Version:** 1

Resolution to Approve Amendment to the Housing Choice Voucher Administrative Plan regarding Utility Allowances, Homeownership, Family Self-Sufficiency, Subsidy Standards and Supportive Services for Project Based Vouchers

HUD provides the primary source of PHA policy through federal regulations, HUD Notices and Handbooks. Compliance with federal regulations, current HUD Notices and HUD Handbooks is mandatory. In addition, HUD requires all PHAs to adopt an Administrative Plan for the Voucher Program. The purpose of the memorandum is to request board approval for changes to the Administrative Plan for the chapters pertaining to Utility Allowances to reflect current regulations and for the chapters on Homeownership, the Family Self-Sufficiency (FSS) program, Subsidy Standards and Supportive Services for Project Based Vouchers to reflect best practices and market conditions. The amendments to each chapter are detailed below.

Prepared by Weneshia Brand, Housing Choice Voucher Manager
Approved by Jennifer Hall, Executive Director

WHEREAS, On June 25, 2014, HUD issued a Federal Registration notice amending the application of utility allowance for the housing choice voucher program. These changes apply to the Utility Allowances section of Chapter 6. Part III.D:

The utility allowance for a family is the lower of the utility allowance amount for the family unit size or the utility allowance amount for the size of the unit rented by the family. At the request of a family with a person with disabilities, the PHA must approve a utility allowance higher than the applicable amount if such a higher utility allowance is needed as a reasonable accommodation. This change applies to vouchers issued after July 1, 2014 and to current program participants.

WHEREAS, Ms. Brand attended a training on the HCV Homeownership program and based on her training and recommended best practices, she is recommending the following changes to the Administrative Plan regarding Special Housing Types: Chapter 15. Part VII - Homeownership

The proposed changes to the Homeownership program include:

15-VII.B. FAMILY ELIGIBILITY: A family is prohibited from participating in Homeownership if defaulted on a mortgage while participating in the HCV HO program.

15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS FAMILY OBLIGATIONS:

- a. *A family is prohibited from continuous HO assistance if they have vacated the unit without prior notice to the PHA.*
- b. *The PHA will process interim recertification for changes in a family income or family composition.*
- c. *The PHA requires a continuous work requirement of at least 30 hrs per week at the federal minimum wage for all HO participants, excluding elderly and disabled families.*
- d. *The PHA determined a written policy to account for mitigating circumstances applicable to HO participants where a lapse in employment prohibits the family from meeting the continuous work requirements.*

15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES:

- a. *The HAP automatically terminates after 180 days of the last HAP; however a family may be reinstated if the family experiences an extreme hardship as defined by the PHA.*
- b. *The payment standard shall not drop below the initial payment standard dollar amount due to changes by HUD or due to changes in the family composition.*

15-VII.O. RECAPTURE: *The PHA will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation.*

WHEREAS, Ms. Brand attended a training on the Family Self Sufficiency program and based on her training and recommended best practices, she is recommending the following changes to the Administrative Plan regarding Family Self-Sufficiency Program: Ch 18

18-II.C. FSS FAMILY SELECTION PROCEDURES: *Family must meet the following eligibility criteria: 1) must not have previously graduated from FSS. 2) Participation is limited to two attempts. 3) Enrollment is limited to once per year. 4) The PHA has sole discretion to reconsider the family's eligibility.*

18-III. C. CONTRACT OF PARTICIPATION:

- a. *Contract of Participation: Every participant must execute a contract of participation; only the head of household may sign the CofP in addition, the HOH must complete all obligations.*
- e. *Individual Training and Services Plan (Plan): outlines the HUD mandatory requirements as stated in the CofP; including the PHA defined sufficient employment requirement, quarterly meetings for unemployed participants, and establishment of a checking/savings account.*
- b. *Employment Obligation: HUD allows the PHA to define suitable employment including a definition of continuous employment, elderly/disabled clauses, and a definition of self-employment, see FSS Ch for full description.*
- c. *Disability and FSS Graduation: FSS participants who enter the program disabled must meet all program requirements to graduate. Suitable employment level may be lowered*

due to disability.

- d. Contract Term: establishes the procedures the PHA must follow for participant enrollment in compliance with HUD regulation.*
- e. Contract Extension: establishes the criteria participants must meet to qualify for contract extensions, see FSS chapter for full definition.*
- f. Completion of the Contract: defines the criteria a participant must meet for graduation as defined in the contract of participation and individual training and service plan, see FSS chapter for full definition.*

WHEREAS, the Ann Arbor Housing Commission has recently provided over 90 vouchers to tenants at AAHC public housing properties as a voluntary option under the RAD relocation program and single tenants in particular are having a difficult time finding comparable rental units in the City of Ann Arbor with the voucher amount they have been allocated. In March 2014, the AAHC board approved an increase in the voucher payment standard to the maximum allowed by HUD of 110% of Fair Market Rents. In addition, the AAHC is recommending that the subsidy standard for a 1 person household be changed from a zero bedroom (efficiency) to a 1-bedroom unit, which, for example, will increase the voucher amount in Ann Arbor from \$733 to \$883 as of August 1, 2014. The following changes are recommended for Chapter 5, II-B:

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated a one bedroom voucher.

The PHA will reference the following chart in determining the appropriate voucher size for a family:

| <i>Voucher Size</i> | <i>Persons in Household</i> <i>(Minimum - Maximum)</i> |
|---------------------|---|
| <i>1 Bedroom</i> | <i>1-2</i> |
| <i>2 Bedrooms</i> | <i>2-4</i> |
| <i>3 Bedrooms</i> | <i>3-6</i> |
| <i>4 Bedrooms</i> | <i>4-8</i> |
| <i>5 Bedrooms</i> | <i>6-10</i> |

WHEREAS, HUD requires the Administrative Plan to define the types of services that a household must participate in if they are in a project-based voucher unit where the percent of project-based vouchers in the project exceeds 25% of the project units, also known as an excepted unit. The following addition is recommended for Chapter 17, II.F:

Supportive services can include but are not limited to:

Family Self Sufficiency Program
Payee Services
Financial Literacy/Credit Counseling
Employment/Job Skills
Anger Management/Conflict Resolution
Mental Health Support
Medical Care
Substance Abuse Recovery Support
Domestic Violence
Parenting and Child Welfare
Education and Employment Support
Coordination of Entitlements
Money Management and Financial Literacy
Assistance with Basic Needs
Legal Services
Child Care
Transportation
Security
Household Maintenance and Activities of Daily Living
Connections to Mainstream Services and Community Resources
Tenancy Problems and Lease Violations
Guest Monitoring and Support
Eviction Prevention

RESOLVED, that the Ann Arbor Housing Commission Board approve the Housing Choice Voucher Administrative Plan, which will be effective September 1, 2014, except for the Utility Allowance section which is effective July 1, 2014.