



Legislation Text

File #: 18-0606, **Version:** 1

Resolution to Approve Amendment to the Administrative Plan regarding Notifications

HUD provides the primary source of Housing Authority policy through federal regulations, HUD Notices and Handbooks. Compliance with federal regulations, current HUD Notices and HUD Handbooks is mandatory and HUD also allows local programs the flexibility to adopt policies in specified areas. HUD requires all Housing Authorities to adopt an Administrative Plan for the Voucher Program which includes all of the required and optional program policies.

HUD requires a minimum of 30-days notice to tenants if the tenant's portion of the rent is increasing. HUD does not require prior notice if the tenant's portion of rent is decreasing. In 2016, the board increased the required notice to families to 35 days at the request of staff. However, staff have requested that the policy be changed back to 30-days because it has been difficult to remember that our policy is different than the standard 30-day notification policy that they have all been trained on at national training sessions. This has caused tenant notifications to be sent out with more than 30-days notice but less than 35-days notice. When that happens, it causes problems with rent subsidy payments to landlords and incorrect paperwork sent to HUD. Changing the policy back to 30-days notice will reduce the number of errors and corrections that will need to be made.

The following sections of the Administrative Plan would be affected:

Chapter 11-I.F. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

PHA Policy

In general, an increase in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least **30**-days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, increases in the family

share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Effective Dates

The PHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

PHA Policy

If the family share of the rent is to increase:

The increase generally will be effective on the first of the month following **30**-days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

PHA Policy

Increases in the family share will be implemented only after the family has received **30**-days notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

Prepared by Jennifer Hall, Executive Director

WHEREAS HUD requires a minimum of 30-days notice to tenants if the tenant's portion of the rent is increasing. HUD does not require prior notice if the tenant's portion of rent is decreasing; and

RESOLVED, that the Ann Arbor Housing Commission Board approve the Administrative Plan to incorporate the policy changes recommended above, related to providing 30-days notice, which will be effective May 1, 2018.