





Chapter 6
Eligibility & the Waiting List




Learning Outcomes




- Explain the requirements for PBV waiting lists
- Identify special considerations for initially transitioning from public housing to PBV
- Discuss how the PHA determines family eligibility



Learning Outcomes




- Identify mandatory and discretionary PHA and owner screening criteria
- Understand the admission process
- Identify requirements for oral and written briefings
- Discuss unit offers




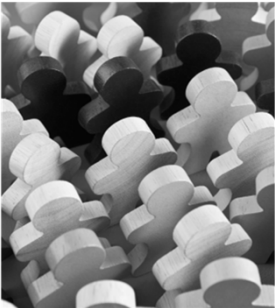
Overview

- PHA must initially establish waiting list for families transitioning from public housing in accordance with RAD requirements
- Once list is established, follow standard PBV program requirements



Overview

- PHA may not re-screen existing residents
- New admissions screening using same criteria as standard PBV/HCV program





Resident Right to Return

Section 2

Resident Right to Return

- In-place residents may need to be relocated
- Remember: No permanent, involuntary relocation may result from conversion
- Temporarily relocated residents have right to return to the project
- Families may voluntarily opt for permanent relocation and relinquish their right-to-return
- Applies to non-RAD PBV units located in the same project



Resident Right to Return

- In connection with any offer and acceptance of alternative housing options, the PHA or Project Owner must ensure that resident's decisions are:
 - Fully informed
 - Voluntary
 - Carefully documented



Resident Right to Return

- Relocation assistance provided varies depending on length of time of relocation
- Residents must be properly notified in advance
- PHA is required to have a written relocation plan if residents will be relocated for longer than 12 months



Resident Right to Return

- PHA must comply with applicable fair housing and civil rights laws
- Relocation must comply with Uniform Relocation Assistance (URA) requirements
 - Although not all will trigger URA requirements
- Relocation can begin after RCC is executed and families are properly notified



Initiation of Negotiations (ION)

- Eligibility for URA relocation assistance is effective on the date of ION
- For RAD projects, the ION date is the effective date of the RCC
- The ION date is also typically the date when the PHA can begin to issue RAD Notices of Relocation, with some exceptions



Resident Right to Return

- Existing residents are not re-screened
- End of participation processed in PIC to terminate public housing tenancy
 - “Special admissions” to the HCV program

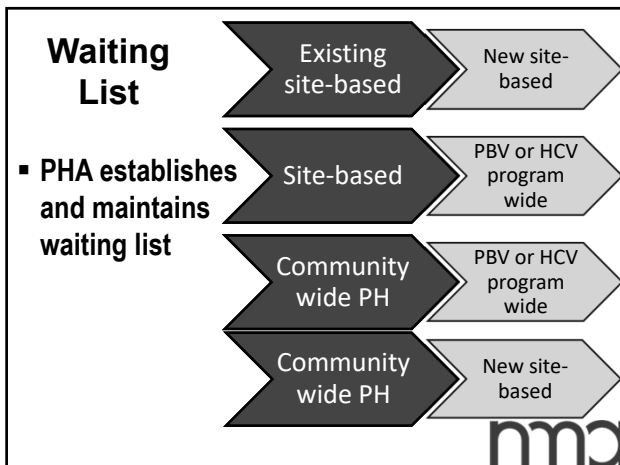


Enterprise Income Verification

- For any public housing residents with outstanding debt, PHAs may not enter the debt into the EIV “Debts Owed” module as a result of the 50058 End of Participations that is required to be submitted into PIC as part of the conversion







Waiting List

- If PH applicants on waiting list is likely to be ineligible for PBV because their TTP exceeds gross rent, PHA must consider transferring them to remaining PH waiting list(s) or to another voucher waiting list
 - In addition to transferring them to waiting list for converting project



Waiting List

- If any new wait list relies on date and time of application, applicant must have priority on the wait list(s) to which their application is transferred
 - Based on date and time of their original application



Initial Waiting List

- If a new site-based list, must follow public housing requirements to set it up
 - Once list is established, follow standard PBV rules
 - Must maintain list in accordance with applicable civil rights and fair housing regs



Initial Waiting List

- PH site-based → PBV site-based
 - If moving to a new neighborhood
 - If as a result of transfer, applicant would only be eligible for a unit in a *materially different* location, PHA must notify applicants of the transfer of assistance, and on how they can apply for residency at other sites



Initial Waiting List

- Site-based → Community-wide
 - Must ensure applicants have been offered placement on the new list
- In all cases, PHA has discretion to determine most appropriate means of informing applicants



Waiting List Management After Conversion

- Once established, follows standard PBV requirements
- PHA establishes and maintains the waiting list
- Owner may refer families to the PHA
 - Waiting list must be open to add such families
 - No priority or preference for owner referrals



Waiting List Management



- Properties with LIHTCS, where for-profit owns the project
- PHA must retain control over the leasing of the project and maintain and administer the wait list



Waiting List Management

- PHA may select families using:
 - Date and time or random selection process
 - Preferences
- If vacant unit has accessible features, must refer next family on waiting list that requires features



Preferences

- PHA may establish reasonable, non-discriminatory preferences
 - Must describe in admin plan
- If converted project will serve a different population than original project, HUD approval required



Preferences



- PHA may provide preferences to families that need specific services provided in supportive housing
 - Defined in HAP contract
 - PHA establishes verification criteria



Preferences

- PHA may keep supportive housing waiting list for families that meet particular preferences
 - City agencies or designated local social service agencies may refer families



Preferences

- PHA may adopt a preference for families eligible for services to be offered
 - Owner must permit occupancy by any qualified person with a disability who could benefit from services provided regardless of the person's disability
 - May not establish a preference for a specific type of disability



Applications



- Both PHA and owner will have application requirements
 - PHA determines program eligibility
 - Owner determines suitability as tenant
- PHA application includes Form HUD-92006

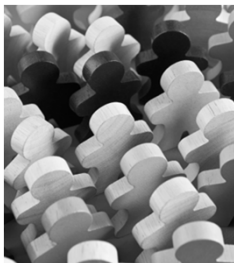




Eligibility

Section 4

Existing Residents



- May not re-screen existing public housing tenants upon conversion
- Current households not subject to rescreening, income eligibility or income targeting



Existing Residents

- Re-screening provisions apply to current residents that will reside in non-RAD PBV units placed in a project that contains RAD PBV units
- The families and contract units are otherwise subject to all PBV requirements



Existing Residents

- Current households grandfathered in for conditions that occurred prior to conversion
 - Subject to any ongoing eligibility requirements for actions that occur after conversion




Eligibility


- When determining the eligibility of new admissions, the PBV program follows the same eligibility criteria as the HCV program




Factors of Eligibility




Family types




SSN disclosure




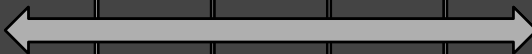
Non-citizens rule



Income limits



Denial of assistance




Income Limits



Existing Residents

- Over-income household at the time of conversion continue to be treated as an assisted
 - Once family moves out, unit must be leased to income eligible family
- All new admissions after conversion must be income eligible



Income Limits at Admission

- HUD establishes income limits annually by family size for each PHA area

_____	Low Income 80% of median
_____	Very Low Income 50% of median
_____	Extremely Low Income does not exceed 30% of median or federal poverty level

Income Limits

- PBV program uses same income limits as HCV tenant-based
- PHA's eligibility limit is VLI (50% of area median)
 - Unless PHA policy establishes criteria for family eligibility at LI (80% of area median)



Income Limits

- PHA determines income eligibility, not owner
- If the property is mixed finance, additional income limits will likely apply
 - LIHTC does not recognize RAD right to return



Income Targeting

- In each fiscal year, at least 75% of new admissions to the HCV must be extremely low income (ELI)
 - PBV and PBV-RAD count towards income targeting requirement
 - ELI is higher of 30% of AMI or Federal poverty level



Social Security Numbers



Social Security Numbers

- SSNs must be provided for all household members except persons who are exempt
 - Includes foster child/adult & live-in aide
 - Children under 6 are no longer exempt



Who Is Exempt?

- Noncontending family members
- Current participants who have not provided a SSN and who were at least 62 on 1/31/10
 - Should be very rare
- No requirement to re-verify SSNs for household members already validated through EIV



Required Documentation

- PHA must accept any of the following:
 - An original SS card
 - An original SSA-issued document
 - Containing name and SSN
 - Original document issued by federal, state, or local government agency
 - Containing name and SSN



Verification of SSNs

- Applicants who are otherwise eligible but do not provide documentation of SSNs for each household member (except non-contending)
 - May retain their place on the waiting list
 - May not become participants until requirements are met



Verification of SSNs

- If a child under 6 was added within the 6 months prior to admission, applicant may become a participant as long as documentation is provided within 90 calendar days of the effective date of admission



Verification of SSNs

- Must grant one 90-day extension if PHA determines failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of applicant's control
- If applicant fails to produce documentation within required time period, must deny




Citizenship Status



Purpose

- To ensure that only citizens, nationals, and eligible immigrants are assisted with HUD subsidy
- All families must be notified of the requirement to provide verification of their citizenship status



Eligibility for Assistance

- Individuals will fall into one of these categories:

Citizens or Nationals

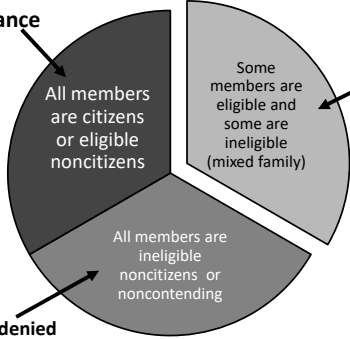
Eligible immigrants 62 or older

Other eligible immigrants

Ineligible noncitizens




Family Categories



Full assistance

Prorated assistance

Assistance denied





Verification Requirements

U.S. citizen or national	Noncitizens with eligible immigration status age 62+	Noncitizens with eligible immigration status under 62	Ineligible or noncontending
Signed declaration	Signed declaration	Signed declaration	Listing of noncontending family members
PHA may require additional verification	Proof of age	USCIS card/documentation	
		Verification consent form	

Verification Requirements

- For eligible noncitizens under age 62, PHA verifies status using SAVE program's Automated Status Verification System (ASVS)
 - Link provided in EIV





Student Status

Student Status

- Congress imposed restrictions on housing assistance to students under Section 8 programs
 - Rule does not affect PH or LIHTC w/o HCV
- HUD has determined that neither the law nor the final rule apply to students residing with their parents and receiving or applying for S8 assistance



Student Status


- This is an ongoing eligibility requirement and could affect a family's assistance during tenancy



Student Status

- **No assistance** shall be provided to any individual who is enrolled as a student at an institution of higher education, who is...







Student Status

- Under 24
- Not a U.S. veteran
- Unmarried, and
- Does not have a dependent child

UNLESS...



Student Status

- The student is eligible and the student's parents (individually or jointly) are income eligible for the program



In other words

- Students and parents both must be income eligible unless the student is independent, as per PHA policy
 - Parents must be eligible under the low-income limit (80% AMI) for the locality where the parents live



Student Status

- Some students in this category may qualify without a determination of parental income
 - Definition of “independent student” updated in FR Notice 9-21-16
 - Conforms with Dept. of ED’s update definition
 - More expansive
- See book for more information



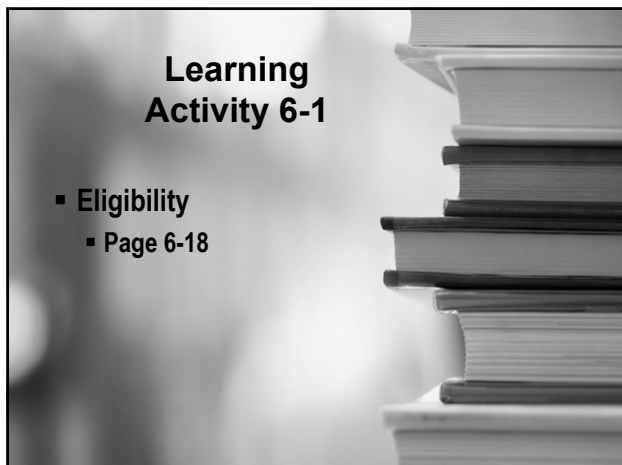
Relative Rule



Relatives Rule

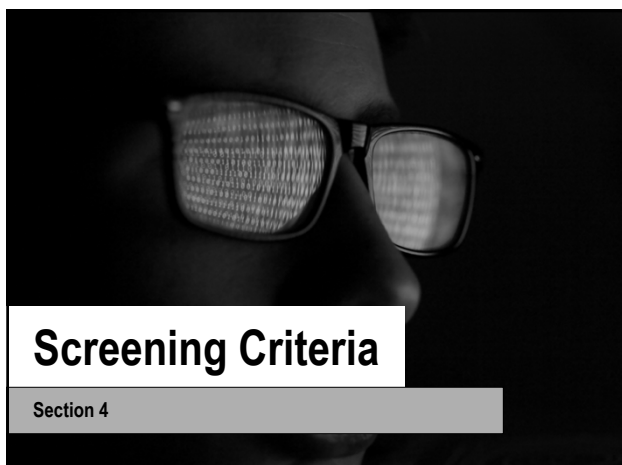
- PHAs may not approve tenancy if the owner (including a principal or other interested party) is the parent, child, grandparent, grandchild, sister, or brother of any member
 - Unless as a reasonable accommodation





Learning Activity 6-1

- Eligibility
 - Page 6-18




Screening Criteria

Section 4


PHA Screening Requirements

- PHA uses same eligibility screening criteria as for standard PBV and HCV
- Must establish standards to screen for drug abuse and other criminal activity as well as certain action or inaction by the applicant
 - Outline in admin plan




Must Deny Assistance

- HUD requires PHA's to deny admission
 - Reasons are listed in your book pg 6-19




- HUD allows PHA's to deny admission
 - Reasons are listed in your book pg 6-19 and 6-20

May Deny Assistance



Consideration of Circumstances

- The PHA may consider:
 - Seriousness of the case
 - Extent of participation or culpability of individual family members
 - Mitigating circumstances relating to disability of a family member
 - Effects of denial on other uninvolved family members



Consideration of Circumstances



- The PHA may impose a requirement that culpable family members may not reside in the unit, and provide assistance to the remaining members



Criminal Activity

- Arrest alone is not proof an applicant engaged in disqualifying criminal activity
 - May not be the basis for the denial
- PHA may consider other factors and circumstances surrounding the arrest
 - Review police reports
 - Records of disposition of charges
 - Other evidence associated with arrest



PHA Screening Requirements

- PHA may opt to screen family behavior or suitability for tenancy
 - Make decision either way in admin plan
- Owner is still required to screen



Denial of Admission by PHA

- PHA must provide prompt notice of assistance denial
- Notice must:
 - Contain statement of reasons for decision
 - State that applicant may request informal review
 - Describe how to obtain the review

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Denial of Admission by PHA

- Required for decisions denying assistance
 - Conducted by PHA designated person
 - Not person who made/approved decision, or their subordinate
- Applicant is given opportunity to present objections
- After review, PHA must notify family of final decision, with reasons

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Denial of Admission by PHA

- Not required for
 - Discretionary administrative determinations
 - General policy issues
 - Class grievances

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Owner Screening Criteria

- Owner establishes tenant screening and selection criteria, subject to PHA approval
 - Must adhere to local, state, federal and any PHA-specific requirements
- Owner must apply same screening criteria to all tenants at a property, regardless of PBV assistance



Owner Screening Criteria

- Criteria should include the target population and income limits required by LIHTC, bond or other programs
- For supportive housing, must include any local certification requirements



Owner Screening Criteria

- Screening criteria may include:
 - Credit history
 - Criminal background check
 - Housekeeping or home visits
 - Verification family will benefit from supportive services
 - Employment and economic self-sufficiency record



Disapproval by Owner

- If owner rejects family, rejection does not affect family's position on PHA's tenant-based waiting list
 - May or may not affect family's position on PBV list
- Owner must promptly notify applicants in writing of rejection and reasons



Not in book

Waiting Lists

- PHA must not take any of the following actions against families who have applied for, received, or refused PBV assistance:
 - Refuse to list the family on the HCV list
 - PHA (or owner) is not required to open a closed waiting list to place the family on a list
 - Deny any admission preferences for which the family qualifies
 - Change the applicant's place on the waiting list
 - Remove the applicant from the HCV list





Unit Offers

- PHA should establish unit offer system
 - How many unit offers will be made
 - Good cause for the refusal of unit offers
 - At what point the family’s name will be removed from the waiting list



Not in book

“Good Cause”

- PHAs must define “good cause” in the admin plan, which must include:
 - Family determines unit is not accessible or otherwise does not meet the member’s disability-related needs;
 - The unit has housing quality standards deficiencies;
 - Family is unable to accept due to circumstances beyond the family’s control (hospitalization, temporary economic hardship, or natural disaster); and
 - Family determines the unit presents a health or safety risk to a household member under VAWA





Unit Offers

- If waiting list is site-based, removal does not affect family’s position on other site-based lists
- Refusal of a unit offer doesn’t affect family’s position on tenant-based list
 - Family may not be removed from the tenant-based list if they accept PBV assistance



Oral Briefing


- When a family accepts an offer of PBV assistance, the PHA must give the family an oral briefing, including:
 - A description of how the program works
 - Family and owner responsibilities
 - Family right to move



Not in book

Oral Briefing


- The PHA must take appropriate steps to ensure effective communication and must provide information on the reasonable accommodation process
 - This is for all families, not just a family that includes a person with disabilities



Not in book

Briefing Packet

- Packet must include:
 - How the PHA determines the total tenant payment (TTP) for the family
 - The family obligations under the program
 - Information on Federal, State, and local equal opportunity laws
 - The contact information for the Section 504 coordinator
 - A copy of the housing discrimination complaint form
 - Information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act



Briefing Packet

- Packet must include:
 - PHA subsidy standards, including when the PHA will consider granting exceptions to the standards and when exceptions are required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act
 - Family right to move

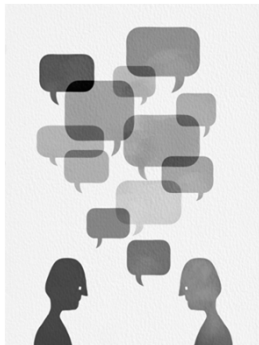


Persons with Disabilities

- PHA must take appropriate steps to ensure effective communication to persons with disabilities
- Must provide information on reasonable accommodation in the oral briefing and packet
 - May include making alternative formats available
- PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit



LEP

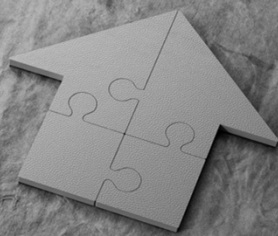


- The PHA must take reasonable steps to assure meaningful access by persons with limited English proficiency



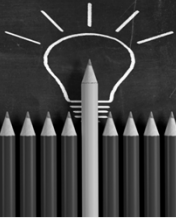
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A black and white photograph showing several sharpened pencils. The pencils are arranged diagonally from the top left towards the bottom right. They are resting on a light-colored, textured surface that appears to be paper or fabric. The pencils have dark, possibly graphite or charcoal, barrels and sharp, dark tips. The lighting creates soft shadows, emphasizing the texture of the pencils and the surface they are on.




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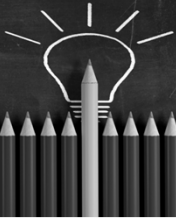
Learning Outcomes




- Consider criteria for establishing subsidy standards
- Recognize family members that are counted when determining unit size
- Discuss requirements for the RAD PBV lease, including the tenancy addendum



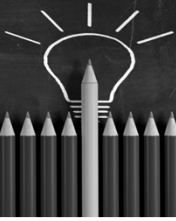
Learning Outcomes




- Describe transfer requirements in overcrowded, under occupied, and accessible units
- Examine owner and PHA requirements for filling vacancies
- Examine how initial contract rents are set for RAD PBV units



Learning Outcomes



- Recall how utility allowances are set initially and after conversion
- Describe how rents are adjusted after the initial rent determination
- Consider when the family may exercise choice mobility and the limits PHAs may place on choice mobility





Subsidy Standards

- HUD does not prescribe specific policies
- PHA develops subsidy standards in PHA administrative plan
- Criteria used by PHA to determine appropriate number of bedrooms for families

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Subsidy Standards

- Unit must be appropriate size for the size of family, based on the PHA's subsidy standards
 - Provide smallest number of bedrooms needed w/o overcrowding
 - Comply with HQS
 - Be applied consistently

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HQS Requirements

- HQS allows 2 persons per bedroom or living/sleeping room
- Sleeping room must have
 - Window (openable if designed to do so)
 - 2 electrical outlets or 1 working outlet and 1 permanent light fixture
- No requirements for square footage, closets, doors, access within unit



NSPIRE Requirements

- NSPIRE requires the unit have at least one bedroom or living/sleeping room for each 2 persons
- Each habitable room must have:
 - Two working outlets
 - or
 - One working outlet and a permanent light fixture



Household Members

- The PHA needs to establish policies:
 - Defining temporarily absent family members
 - Family members permanently confined to a nursing home no longer part of the household
 - Owner may establish more restrictive definition
 - Regs do not specifically address students
 - Deciding whether they will count children in the process of being adopted
 - Dependents subject to joint custody arrangements



Household Members

- PHA must count:
 - Children who are added to the family by birth, adoption, or court-awarded custody only after these events have occurred



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Household Members

- Single person who is not remaining family member, elderly or disabled gets a zero or one bedroom



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Household Members



- Count children temporarily absent due to placement in foster care
- Families may have foster children
- A pregnant woman with no other persons counts as a two-person family

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Household Members

- Live-in aide counted when determining unit size





Lease Requirements

Section 3

Lease Requirements

- Owner and family must sign a written lease
- PHA may review owner's lease to determine that it complies with HUD, state and local requirements
 - PHA may reject lease



Lease Requirements

- Lease must specify:
 - Name of owner and tenant
 - Unit rented
 - Term of the lease
 - Amount of tenant rent to owner
 - Maintenance, equipment and utilities supplied by the owner
 - The amount of any charges for food, furniture, or supportive services
 - Requirement that the lease be renewed on expiration unless good cause exists for non-renewal



Lease Requirements

- Must include resident procedural rights for termination notification and grievance procedures

6. Resident Procedural Rights. The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum (HUD Form 5250-nc), as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

a. Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 8 of the Act for public housing projects that convert assistance under RAD and to non-RAD PBV units located at the Covered Project. In addition to the regulations at 24 CFR 982.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be:


- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, Project Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction;
- Not less than 14 days in the case of nonpayment of rent; and
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period shall apply.



Not in book

Lease Requirements


- The lease and all addenda must:
 - Be reasonable
 - Use plain language
 - Be available in multiple languages as needed and written in a manner accessible to people with disabilities
 - For a "target housing", must comply with the Lead Disclosure Rule
- The lease and all addenda must not:
 - Contain provisions that conflict with resident rights
 - Require a new security deposit for in-place residents
 - Prohibit residents' pets in-place at the time of conversion



Not in book


Lease Requirements

- Tenant leases and House Rules should not:
 - Be onerous or difficult for residents to understand
 - Impose overly restrictive rules about what residents may or may not do in their homes
- HUD reserves the right to reject or require revisions to leases if they are deemed unreasonable or otherwise do not conform to requirements



Lease Requirements

- Lease may not begin prior to HAP contract execution date
- For in-place residents:
 - Must have an effective date that coincides with RAD PBV HAP contract
 - May be signed on or before effective date of RAD PBV HAP contract
 - Must provide residents with notification of public housing lease termination in accordance with public housing regs and local law



Lease Requirements

- Term of the lease is not tied to the HAP contract like the tenant-based program
- Initial term must be for one year
- Lease renews automatically



Lease Requirements

- For any family admitted following conversion, the lease must specify what will happen if the family elects to remain in its unit after increasing its income such that it requires zero HAP.
- Specifically, the lease must make clear
 - How the tenant rent will be calculated, and
 - It must address the transition to a new lease



Tenancy Addendum

- PHA must prepare a PBV tenancy addendum (HUD-52530c)
 - States family and owner responsibilities
 - Executed by each family and the owner
 - Terms of tenancy addendum prevail over provisions of the lease
 - PHA must maintain a copy




Changes to the Lease

- If the tenant and owner agree to change the lease, change must be in writing and owner must immediately give a copy to the PHA
- Owner must notify PHA in advance of any proposed changes to utility responsibilities




Update to book

Security Deposits




- Owners may continue recognizing security deposits that have been previously provided by in-place tenants
- If in-place tenants were not previously required to provide security deposit, may not collect a security deposit
 - Supp 4C



Security Deposits

- Owner may collect a security deposit
 - PHA may prohibit security deposits in excess of private market practice or amounts owner charges unassisted tenants
 - Retention requirements subject to state and local law
 - PHA does not have a liability to owner for amounts owed by family





Moves

Section 4

In-Place Tenants in Under-Occupied Units

- Family may remain in unit until appropriate-sized unit become available in the project
- Family must move with reasonable notice at that time

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Wrong-Size/Accessible Unit

- PHA must offer continued assistance if unit:
 - Is overcrowded or under-occupied per PHA subsidy standards
 - Has accessibility features the family does not need
 - And the features are needed by another family

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Wrong-Size/Accessible Unit

- Continued assistance:
 - Tenant-based rental assistance; or
 - PBV assistance in same project; or
 - PBV assistance in different project; or
 - Other project-based housing assistance (public housing, etc.); or
 - Other comparable public or private tenant-based assistance


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Offer of Assistance




- If no continued assistance is available, the PHA must remove the unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher



Offer of Assistance: HCV

- If the PHA offers the family HCV, the PHA must stop HAP/remove unit from HAP contract the earlier of:
 - Expiration of the voucher (including extension)
 - Date the family vacates the unit
- If the family doesn't move out by the expiration of the voucher, PHA must remove the unit from the HAP contract



Other Offer of Assistance

- If PHA offers assistance other than an HCV, PHA must stop HAP/remove unit from the HAP contract when:

Offer of project-based assistance

Family accepts but doesn't move out within 90 days

May not give an extension

Offer of other tenant-based assistance

Family doesn't accept and doesn't move out within 90 days

May give a 90-day extension

Family accepts or doesn't accept and doesn't move out within 90 days

May give a 90-day extension

Example

- 3/1: PHA determines family is in wrong-sized unit
 - By 3/31 (30 days): Must notify family and owner
 - By 4/30 (60 days): Must offer family continued assistance
- PHA notifies/offers a different PBV unit on 3/15
 - Family must move within 90 days
- 6/13: Deadline for family to move
 - Except, PHA may grant one 90-day extension if family didn't accept and didn't move



Choice Mobility

- Family may request a tenant-based voucher after one year of occupancy at the property



Choice Mobility

- Must contact PHA to see if voucher is available prior to giving notice to owner
- Must give owner advance written notice of intent to vacate (copy to PHA)



Choice Mobility

- If family is eligible, PHA must provide voucher if one is available and does not exceed Choice Mobility cap
 - If not, must provide next available voucher
 - Mobility list by date/time of request



Choice Mobility Cap

- If, as a result of RAD, total number of PBV units (standard and RAD PBV units) administered by the PHA exceeds 20% of PHA's authorized units under its HCV ACC, PHA may establish a turnover cap for RAD PBV units only
 - Not required



Choice Mobility Cap

- PHA not required to provide more than $\frac{3}{4}$ of its turnover vouchers in any single year to residents in converted projects
 - Must create and maintain a mobility list
 - If adopted, policy must be in administrative plan





Filling Vacancies

- Owner must promptly notify PHA of vacancies or expected vacancies
 - Upon tenant’s notice of intent to vacate or an expected eviction
- PHA must make reasonable effort to refer sufficient number of families to owner
 - Pool of eligible applicants available for occupancy

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Filling Vacancies

- PHA and owner should establish a vacancy turnover strategy to monitor:
 - Number and types of vacancies by bedroom size
 - Amount of turnover time to prepare units
 - Number of applicants needed to fill a vacancy
 - Average processing time

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Units with Accessible Features



- Owner must advise PHA that vacant unit has accessible features so PHA may refer appropriate families
- PHA must refer families who require such features

nmca

Floating Units

- PHA may request HUD approval to have assistance float among unoccupied units
 - Unit must be comparable to the one it replaced in quality and amenities
 - 504 accessible units may only float to other 504 units

nmca

Vacancy Payments

- Optional for the PHA
 - Identified in HAP contract
- If an assisted family moves out of the unit, owner may keep HAP for calendar month when the family moves out
 - Unless PHA determines that the vacancy is the owner's fault



nmca

Vacancy Payments

- May provide vacancy payments if owner:
 - Gives PHA prompt, written notice certifying family has vacated and identifies when family moved out
 - Certifies vacancy is not their fault and unit was vacant during time payment is claimed;
 - Certifies they have taken every reasonable action to minimize likelihood and length of vacancy;
 - Provides any additional info requested by PHA



Vacancy Payments

- May be made for maximum of 2 months
- Amount determined by PHA
 - Cannot exceed monthly rent to owner, minus any rent payment received by owner
 - Including amounts available from security deposit
- May only cover period unit was vacant





Initial Rents

- Conversion intended to be cost neutral
 - Should not exceed current public housing funding, adjusted for unit size
- HUD provides estimate of current contract rent for each unit based on current funding
 - Operating subsidy, tenant rent, cap fund, replacement housing factor funds



Initial Rents

- Funding is adjusted by bedroom size to determine current funding rent
- HUD uses same bedroom adjustment factors as in metropolitan FMR schedules
 - See example in book



Initial Rents

- Rent is the lower of:
 - Reasonable rent
 - 110% of the FMR (minus UA), unless an exception has been approved by HUD, or the alternate rent cap in a PHA's MTW Agreement
 - The rent requested by the owner
- Rent may also be subject to rent control or other limits under local, state, or federal law




Initial Rents

Bedroom Size	1	2	3
Current Funding Rent	\$646	\$770	\$894
Reasonable rent	\$640	\$740	\$830
110% of FMR – UA	\$665	\$793	\$920
Contract Rent	\$640	\$740	\$830




Other Factors that Affect Rent



SAFMRs

- All current and future PBVs are exempt from SAFMRs regardless of where they’re located
- PHAs in HUD-designated SAFMR areas must use SAFMRs for their HCV program
 - Other PHAs in metro areas: May request HUD approval to use SAFMRs for their HCV program
 - PHA in non-metro areas: Only have FMRs



SAFMRs

- If PHA operates their HCV program under SAFMR (whether designated by HUD or requested), PHA may apply SAFMR to future PBV projects only after:
 - Effective date of SAFMR designation; and
 - PHA admin plan policy adopted
- No HUD approval required to use SAFMRs for PBV



Utility Savings and Rent

- HUD allows RAD contract rent to be increased by a portion of the utility savings when conversion will result in reduction of one or more utility components used to establish UA relative to the UA of the converting project
 - See Attachment 1C of Notice PIH 2019-23



Rent Bundling

- PHA may adjust subsidy and initial contract rents across multiple projects
 - As long as PHA does not exceed the aggregate subsidy for all the projects
 - No limit to the number of projects that may be bundled



**Rent Bundling
Example**

- Two identical projects, both 100 units
 - Project A contract rent is \$500
 - Project B contract rent is \$600
- PHA could bundle the two and rent for both projects would be \$550



Other Considerations

- If PHA proposes de minimis reduction of units, project will not retain subsidy for units not included in conversion application
 - Exception for units for special uses




Other Considerations

- When funding is reduced as a result of a program cap on contract rent
 - PHA may request that HUD transfer excess subsidy to PHA's voucher program
 - May be used for choice-mobility

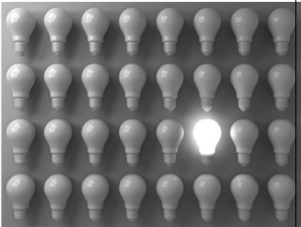


MTW Agencies

- Information on rent setting for MTW agencies is in your book




Utility Allowances




Utility Allowances

- PHA must maintain allowance for all tenant-paid utilities
- HAP contract lays out utility responsibilities
 - May vary by unit size and type
- Unlike in HCV, utility responsibilities do not change based on individual tenancy
- May only be changed by a formal contract amendment




Utility Allowance


- UA used on initial HAP contract must be the public housing UA
 - PHA may request amendments to the CHAP
- CHAP must be updated to reflect current UA
 - PHA may use UA in effect 30 days immediately before date of HAP contract



Utility Allowance




- After conversion, PHA can use either HCV UA or may apply site-specific UAs
 - Effective for in-place family at recertification



Site-Specific Utility Allowance

- Calculated using Multifamily rules (Housing Notice 2015-04)
 - Project owner carries out responsibilities to calculate, but PHA must ensure UA is calculated correctly
- Also applies non-RAD PBV units in the project



Utility Reimbursement

- PHA must establish a policy on frequency of utility reimbursements (URPs)
 - May continue to reimburse families monthly
 - Payments must be made at least once per calendar year quarter for reimbursements totaling \$45 or less per quarter
 - May not make payments less frequently



Rent Reasonableness





Rent Reasonableness

- Purpose is to assure:
 - Fair market rent paid
 - Program does not inflate rents in community





Rent Reasonableness

- Units are PHA-owned, independent entity approved by HUD must conduct determination
- PHA must retain documentation



Rent Reasonableness


- Rent to owner that is not more than rent charged for comparable:
 1. Units in the private unassisted market, and
 2. Unassisted units in the premises

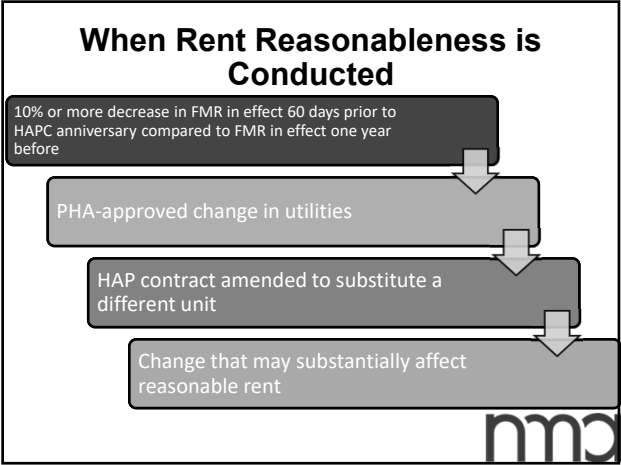


Rent Reasonableness

- PHA's methodology in administrative plan must consider:

Location	Quality	Size
Unit Type	Age	Amenities
Housing Services	Maintenance	Utilities







Rent Adjustments

- Rents adjusted using HUD’s operating cost adjustment factor (OCAF) at anniversary date of HAP contract
 - May not exceed reasonable rent
 - Except rent must not fall below initial rent
 - If project is PHA-owned, IE must determine the OCAF

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Example

- Initial contract rent for 2-bedroom was \$575
 - Rent reasonable at the time
- Year 2: Rent increased to \$585 because of OCAF
 - Rent reasonable at the time
- Year 3: Rent reasonableness determination indicates rent should now be \$525
- Contract rent may not decrease below \$575



Rent Adjustments
Example

Excerpt: OCAF for 2023	
Alabama	5.8%
Alaska	6.0%
Arizona	5.7%
Arkansas	5.9%



Example

Example Calculation: Alaska (OCAF 6.0%)					
	1-BR	2-BR	2-BR 1.5 Bath	3-BR	4-BR
Current Rent	\$580	\$650	\$650	\$740	\$820
OCAF Adjustment	\$614	\$689	\$689	\$784	\$868
Reasonable Rent	\$625	\$700	\$720	\$780	\$865
Approved Rent	\$614	\$689	\$689	\$780	\$865


Example

Example Calculation: Alaska (OCAF 6.0%) Reasonable Rent Below Initial Contract Rent					
	1-BR	2-BR	2-BR 1.5 Bath	3-BR	4-BR
Current Rent	\$580	\$650	\$650	\$740	\$820
OCAF Adjustment	\$614	\$689	\$689	\$784	\$868
Reasonable Rent	\$555	\$610	\$630	\$710	\$800
Initial Contract Rent	\$575	\$635	\$635	\$725	\$800
Approved Rent	\$575	\$635	\$635	\$725	\$800

Learning
Activity 7-1

▪ Rent Adjustments

▪ Page 7-27



OCAF Adjustment Worksheet


RAD PBV OCAF Rent Adjustment Tool

Enter data for all orange cells. In addition:

- If property has Hard Debt, Enter the Annual Debt Service for Hard Debt at (M) (Green Cell).
- If there are Non-RAD units, enter the total number of Non-RAD units at (G) and Rent Potential for Non-RAD

PHA Name:
Project Name:
Year:
HAP Anniversary Date

Eastlake Housing Authority
Pine Bluff
2023
4/1/2023




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Page 59

OCAF Adjustment Worksheet

Step 1: Enter Current RAD Units and Contract Rents as well as the determined "Reasonable Rents"

(A) Bedroom Size	(B) Number of RAD Units	(C) Current RAD Section 8 PBV Contract Rents	(D) Current Monthly RAD Section 8 Rent Potential (B x C)	(E) Reasonable Rents
0BR	15	\$ 950.00	\$ 14,250.00	\$ 1,000
1BR	250	\$ 1,100.00	\$ 275,000.00	\$ 1,200
2BR	100	\$ 1,300.00	\$ 130,000.00	\$ 1,400
3BR			\$ -	
4BR			\$ -	
5BR	0		\$ -	
6BR	0		\$ -	
0BR-a	0		\$ -	
1BR-a	0		\$ -	
2BR-a	0		\$ -	
3BR-a	0		\$ -	
4BR-a	0		\$ -	
5BR-a	0		\$ -	
6BR-a	0		\$ -	
	365			
(F) Total Monthly RAD Rent Potential (Total of Column D)			\$ 419,250	
(G) Total Number of Non-RAD Residential Units in property			10	
(H) Total Number of Units in the Property			375	



OCAF Adjustment Worksheet

Step 2: Calculate Increase Factor Adjusted by OCAF

(I) Annual RAD Rent Potential ((F) x 12)

\$ 5,031,000

(J) Total Annual Rent Potential for Non-RAD Units

\$ 120,000

(K) Total Annual Project Rent Potential ((I) + (J))

\$ 5,151,000

(L) RAD Percentage of Total Project Rent Potential ((I) / (K))

98%

(M) Total Annual Hard Debt Service; Enter Zero if no Debt

\$ 25,000

(N) RAD Debt Service Share ((L) x (M))

\$ 24,417.59

(O) Annual RAD Rent Potential Less RAD Debt Service ((I) - (N))

\$ 5,006,582

(P) Enter applicable state OCAF (search "OCAF" in the Federal Register)

6.08% www.federalregister.gov

(Q) RAD Rents Less Debt Service Multiplied by OCAF ((O) x (P))

\$ 5,306,977

(R) Adjusted RAD Rent Potential ((N) + (Q))

\$ 5,331,395

(S) Rent Reasonableness (Total Annual Potential)


\$ 5,460,000

(T) Lesser of (R) or (S)

\$ 5,331,395

(U) Increase Factor (((T)-(I)) / (I))


5.97%



OCAF Adjustment Worksheet

Step 3: Calculate OCAF Adjusted Contract Rent Potential for RAD Units ONLY


(V) Bedroom Size	(W) # of Units	(X) Current RAD Section 8 Contract Rents	(Y) OCAF Adjusted Rent (U x AA)	(Z) Annual RAD Adjusted Rent (Z x AB x 12)
0BR	15	\$ 950	\$ 1,007	\$ 181,210
1BR	250	\$ 1,100	\$ 1,166	\$ 3,497,039
2BR	100	\$ 1,300	\$ 1,378	\$ 1,653,146
3BR		\$ -	\$ -	\$ -
4BR		\$ -	\$ -	\$ -
5BR		\$ -	\$ -	\$ -
6BR		\$ -	\$ -	\$ -
0BR-a		\$ -	\$ -	\$ -
1BR-a		\$ -	\$ -	\$ -
2BR-a		\$ -	\$ -	\$ -
3BR-a		\$ -	\$ -	\$ -
4BR-a		\$ -	\$ -	\$ -
5BR-a		\$ -	\$ -	\$ -
6BR-a		\$ -	\$ -	\$ -
	365			
(AA) Annual Adjusted Rent Potential (total of Column AZ)			\$ 5,331,395	



Not in book

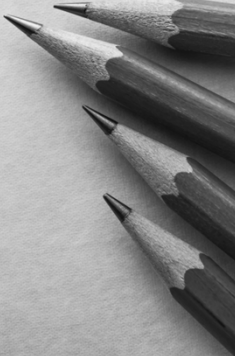
Waivers of Rent Adjustment by OCAF


- Under extraordinary circumstances, may request a waiver of rent adjustment by OCAF and instead receive an adjustment by “an alternative operating cost factor”
- Must submit documentation to HUD Office of Recapitalization
- See Sup 4C for more information




Chapter 7 Post-Test

- Page 7-31







Chapter 8 Occupancy



Learning Outcomes



- Analyze the process for annuals and interims
- Recall inspection requirements for PBV
- Recall how increases in income are treated for in-place residents and new admissions
- List the requirements for termination of assistance and owner evictions





Recertifications

Section 2

Annual Recertifications



Annual Recertifications

- Conducted by the PHA in accordance with policies in admin plan
 - May require more frequent reexams for zero or sporadic income
- Anniversary date is 12 months from the effective date of the last annual
 - Or initial for new admissions



Annual Recertifications

- For in-place families
 - Unless family's annual is due at the same time as the effective date of the HAP contract, PHA does not need to recertify tenants at conversion
- Retain same anniversary date as in public housing



Annual Recertifications


- Specific procedures not dictated by HUD
 - Typically starts 120 days before effective date
- Other options include:
 - Conducting by property
 - Aligning date with reexams for other funding providers
 - Conducting annuals on anniversary date of property's HAP contract



Not in book

Calculating Income


- The methodology used for calculating income differs depending on whether income is being calculated at:
 - Initial occupancy/assistance
 - Interim reexam
 - Annual reexam
- However, income from assets is always anticipated regardless of certification type



Not in book


Annual Reexams

- PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income; however, adjustments to reflect current income must be made
 - Except where a streamlined income determination is used
- Any change of income since the family's last annual must be considered



Partial Implementation of HOTMA 102/104

- Notice PIH 2024-28
 - Released 12/18/24
- Identifies provisions in HOTMA 102/104 that PHAs must comply with no later than 7/1/25



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT


HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA)

SPECIAL ATTENTION OF:
Office Director of Public Housing
Regional Director, Public Housing
Agency

NOTICE PIH 2024-28
Issued: December 17, 2024
Expires: This notice remains in effect until
announced, superseded or rescinded.
Cross References: Notice PIH 2023-07, Notice H-
2024-09

Subject: Housing Opportunity Through Modernization Act (HOTMA) Sections 102 and
104: Updated Guidance to Public Housing Agencies (PHAs) on Compliance

I. Purpose
The purpose of this Notice is to identify which income and asset provisions from Sections
102 and 104 of the Housing Opportunity Through Modernization Act of 2024 (HOTMA)
that Public Housing Agencies (PHAs) must comply with no later than July 1, 2025.
Section 6.1 of Notice PIH 2023-27 previously established a compliance deadline of January
1, 2025, for which PHAs had to fully comply with the HOTMA final rule. This Notice
supersedes, in part, Section 6.1 of Notice PIH 2023-27. This Notice outlines due for the
specific HOTMA provisions identified below. The new deadline for PHA compliance is
July 1, 2025. For all other provisions that are not identified in this Notice, PHAs will not
require PHA compliance by January 1, 2025.
II. Background
HOTMA was signed into law on July 29, 2024 (Pub. L. 118-202). The final rule
implementing Sections 102 and 104 of HOTMA, 24 CFR 982.309, became effective January 1,
2025. HOTMA initially provided, in the HOTMA Section 102 and 104 Implementation



Compliance Deadline: 7/1/25

- All transactions with an effective date on or after 7/1/25 must be processed using requirements in Notice PIH 2024-38
 - Since reexams start 90 to 120 days prior to the effective date, provisions are effective as soon as 3/3/25 depending on when the PHA starts reexams



PHA Implementation

- *“PHAs may immediately begin complying with provisions in the notice once they have made any necessary updates to their materials and processes.”*
- Notice does not mention updating PHA policies



Compliance Deadline Not Applicable

- 7/1/25 compliance deadline does not apply to other HOTMA 102/104 provisions not listed in the notice
 - Other provisions are dependent on HIP implementation



HUD Enforcement Prior to 7/1/25

- **Earned Income Disallowance**
 - PHAs must have stopped enrolling families into the EID as of 12/31/23
 - **Form HUD-9886-A**
 - The old Form HUD-9886 expires 1/31/25
 - Once it expires, Form HUD-9886-A will be the only approved version of the form
- ➔ PHAs must transition to the new Form HUD-9886-A by 2/1/25



Compliance Deadlines

Provision	Required Compliance Date
Stop enrolling families in the EID	1/1/24
Use of Form HUD-9886-A	No later than 2/1/25
Income exclusions	No later than 7/1/25
Definitions	No later than 7/1/25
De minimis errors	No later than 7/1/25



Income Exclusions

- PHAs may immediately implement income exclusions in 24 CFR 5.609(b) on all income examinations
 - New admissions, annual, or interims
- For all income examinations effective on or after 7/1/25 PHAs must apply HOTMA 102/104 income exclusions



Income Exclusions

- Full list of income exclusions is listed at 24 CFR 5.609(b)
- Notice also refers to exclusions listed in Notice PIH 2023-27, Attachment G and F



Definitions

- PHAs may immediately begin to use the following definitions
- PHAs must use these definitions for all transactions effective on or after 7/1/25



Definitions

- Earned income and unearned income
- Family
- Day laborer and independent contractor
- Dependent
- Foster child and foster adults
- Health and medical care expenses
- Minor



Other Provisions

- Notice PIH 2024-38 also mentions two other HOTMA provisions that may be implemented immediately
 - PHAs may choose not to use EIV during interims
 - PHAs may, but are not required to, use Safe Harbor income determinations from means-tested federal assistance programs



Safe Harbor Verification in PIC

- If a PHA chooses to adopt this policy while in IMS/PIC, they must list annual income from the other program’s determination in Section 7 under the HOH using the code *other nonwage sources* (N)

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
HOH name	1	N		\$	\$	\$
				\$	\$	\$
				-	-	-



Effective Dates

- PHA must notify family and owner of results in writing, generally:
 - Decreases effective on first day of the month following the change
 - Increases effective first day of the month after reasonable advance notice
- If TP increases as a result, family must be given opportunity for an informal hearing




Interim
Recertifications




Interim Reexaminations


- PHAs must develop policies that describe when and under what conditions families must report changes in household composition and adjusted income



Interim Reexaminations

- The PHA must estimate the income of the family for the upcoming 12-month period





Interim Recertifications

- Conducted by PHA in accordance with administrative plan
- PHAs may require families to report some, all or none of the changes that would result in a rent increase
- PHAs must process requests for interim decreases



Interim Recertification

- Family must report changes in household composition
 - Birth, adoption, or court awarded custody
- Must request PHA approval to add any other person to unit, including foster children or live-in aides



Adding a Family Member

- HUD removed the requirement to conduct an interim whenever a new family member is added
- Appropriate change must be made at the effective date of a regular or interim reexam
 - Aligns with PH requirement




Interim Decreases



Not in book

Interim Decreases

- The PHA may decline to conduct an interim if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10% of the family's adjusted income



Interim Increases



Not in book

Increases of Less than 10%

- PHAs must not process an interim reexam for income increases that result in less than a 10% increase in adjusted income



Increases of 10% or More

- PHAs must conduct an interim when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10% or more in adjusted income
- There are two exceptions



Exception #1

- PHAs may choose not to conduct an interim during the last three months of a certification period if a family reports an increase in income within 3 months of the next annual reexam effective date
 - Optional: Up to PHA policy
 - Only applicable for increases, not decreases



Example

- Maya Mays' annual last year was 11/1
- PHA begins processing her annual for this year in September
- On 10/1, Maya reports her TANF benefits have increased \$30 per month
- Amount meets the 10% threshold
- While the change meets the 10% threshold, the PHA may decline to perform the interim since her next annual will be effective in one month



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Exception #2

- PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased
- Unless the family has previously received an interim reduction during the same reexam cycle

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Changes in Earned Income

- If PHA policy states that the PHA will not conduct an interim for increases in earned income when there was a previous interim decrease:
 - The PHA will not perform interims for any increases in earned income, regardless of the amount

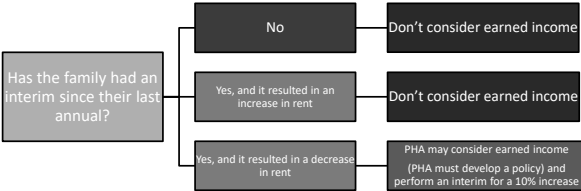
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Changes in Earned Income

- If PHA policy states that the PHA will conduct an interim for increases in earned income when there was a previous interim decrease:
 - The PHA will perform interims for increases in earned income when the 10% threshold is met



A family reports an increase in earned income between annuals.



Not in book



Example 1: Earned Income

- Greg Garland lives alone
- At his annual in May, he had a job earning \$32,200. This was his only source of income.
- Greg did not qualify for deductions and his adjusted income is \$32,200 at the time
- 3 months later, he gets a raise to \$40,000 a year




A family reports an increase in earned income between annuals.

Has the family had an interim since their last annual?

No


Don't consider earned income

- Since Greg has not had an interim since his last annual, the PHA may not consider the increase in his earned income and will not perform an interim.





Example 1: Earned Income

- Since the PHA may not consider the increase in earned income, the 10% threshold is not applicable
- The PHA will consider his raise when conducting his next annual reexam




Example 2: Earned Income

- Tameka Barnes lives alone
- At her annual, she had a job earning \$25,000. This was her only source of income.
- Tameka did not qualify for deductions, and her adjusted income was \$25,000
- 3 months later, she lost her job
- The PHA conducted an interim decrease and made Tameka zero income



Example 2: Earned Income

- 2 months later, Tameka got a new job earning \$30,000 and reported this to the PHA
- Does the PHA consider perform an interim?




A family reports an increase in income between annuals.

Has the family had an interim since their last annual?

Yes, and it resulted in a decrease in rent


PHA may consider earned income (PHA must develop a policy)

- Since Tameka previously had an interim decreases when she lost her job, the PHA may consider her increase in earned income depending on PHA policy.



Example 2: Earned Income

- If PHA policy calls for performing an interim in this situation:
 - The PHA must determine if her increase meets the 10% threshold
 - For Tameka the answer is yes because she was zero income
 - The PHA will process an interim



Example 2: Earned Income

- If PHA policy does not call for performing an interim in this situation:
 - The PHA will not perform an interim
 - The 10% threshold does not apply
 - The PHA will consider the new income from her job at her next annual reexam



Interim Recertifications

- Failure to report required changes or provide information is grounds for termination of assistance
- PHA policy determines the effective date of the change in HAP and tenant rent



Tenant Rent Changes

- PHA must notify family and owner in writing when tenant rent or contract rent changes
- Notice should contain new amounts and effective dates
- PHA policy states effective date of change



Tenant Rent Changes

- Contract rent changes generally do not affect tenant rent
- UA changes will affect tenant rent
- Change to UA may be effective either:
 - When contract rent changes
 - At family's annual





Zero HAP Families in Standard PBV


- In standard PBV:
 - Occupied units may only be selected and placed on HAP contract if the family is eligible for HAP payments
 - PHA must remove units from contract if no HAP payment is made for 180 days due to increased TTP



Zero HAP Families


New admissions after conversion

- Applicants:
 - Standard PBV rules
 - If no HAP will be paid, ineligible for assistance
- Participants:
 - If no HAP is paid for 180 days, assistance terminates
 - Unit must be removed from HAP contract
 - Family is not required to move
 - If income decreases after 180 days, need to reapply



Zero HAP Families in RAD PBV


- Under RAD PBV, in-place residents are treated differently than new admissions after the conversion



Zero HAP Families


In-place families

- Pay an alternative rent which is the lower of:
 - TTP minus UA (subject to any phase-in)
 - The Zero-HAP Rent Cap:
 - Lower of 110% FMR minus UA
 - Any max rent under LIHTC or HOME




Zero HAP Families

- In-place families that are zero HAP for 180 days
 - Unit must be removed from HAP contract
 - Family assistance ends
 - Full assisted property
 - Unit reinstated when family leaves
 - Partially assisted property
 - Unit swapped or reinstated when family leaves



Zero HAP Families

- PHA may request a waiver from HUD to admit otherwise eligible (income-qualified) families whose TTP exceeds gross rent
- See RAD Supplemental Notice 4B for more information






Inspections

Section 4

Not in book

NSPIRE and HQS


- HQS inspection protocol sunsets 10/1/25
 - Deadline of 10/1/24 was postponed
- National Standards for the Physical Inspection of Real Estate (NSPIRE) will be the inspection protocol for HCV and PBV
- However, regulations on inspection administration in the HCV and PBV programs will continue to use the term *HQS* not *NSPIRE*



Not in book


NSPIRE and HQS

- HUD defines housing quality standards (HQS) as:
 - The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 (NSPIRE) for the HCV program, including any variations approved by HUD for the PHA
- In other words, “HQS” is a general umbrella term meaning the NSPIRE standards for HCV and PBV plus any HUD-approved variations



Inspection of PHA-Owned Units

- Since units are typically PHA-owned, an independent entity must perform initial and all subsequent inspections
- Independent entity must immediately notify PHA of any deficiencies
 - Must report findings to PHA and local HUD Field Office



Inspection of PHA-Owned Units

- If family asks for complaint inspection, the PHA must:
 - Receive the complaints
 - Inform the independent entity
 - Provide the family with contact info for independent entity
- Independent entity conducts complaint inspections



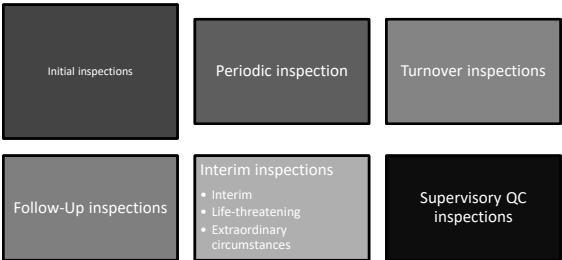
Inspection of PHA-Owned Units

- If HQS violations are noted, independent entity must conduct follow-up inspection for corrections
 - If PHA does not take necessary action, independent entity must contact local HUD Field Office



Not in book


PBV Inspection Types Identified in the Regulations



Not in book


Initial Inspection

- Standard PBV regulations do not apply
- PHA and Project Owner follow the requirements of Supp Notice 4C with regard to conditions for entering into the HAP contract, executing the HAP contract, and conducting any work as outlined in the RCC




Periodic Inspections

- At least biennially, PHA must conduct inspections of a representative sample of 20% of assisted units in each building in the development
- PHA must establish policy on the frequency of periodic inspections in the admin plan
 - Annual vs biennial
- Small/Rural PHAs with <550 combined HCV/PH units may inspect PBV units triennially



Periodic Inspections

- If fewer than 20% of units are available because of development activity, PHA is only required to inspect the units in the building that are designated as available for occupancy



Periodic Inspections

- If more than 20% of the inspected units in a building fail, 100% of units under contract in the building must be reinspected



Periodic Inspections

- Contract anniversary date, not family's anniversary date
 - Best practice, 90-120 days before anniversary date
- Inspection is of units and property as a whole



Complaint Inspections

- If a participant family or government official reports a condition
 - That is life-threatening
 - PHA must inspect the unit within 24 hours of when the PHA received the notification
 - That is not life-threatening
 - PHA must inspect the unit within 15 days of when the PHA received the notification



Mixed Finance Properties

- For PBVs in mixed finance projects, the PHA may rely upon alternative inspections conducted at least triennially
 - LIHTC inspections are at least once every 3 years
- Only applies to periodic inspections
- May not use for initial or complaint inspections



Alternative Inspections

- May rely on alternative inspection methods
 - LIHTC, HOME, or performed by HUD REAC
 - PHA identifies method in admin plan
 - Other inspection methods
 - PHA must first get HUD approval
- Only applies to periodic inspections
 - May not use for initial or interim inspections
- Information in our book



Turnover Inspections


- Before providing assistance to a new family in a PBV unit, the PHA must inspect the unit
- Unlike in HCV, inspection not triggered by a RTA
- Units may be inspected upon the owner's notification to the PHA that the unit is ready for occupancy
- Important to perform these inspections quickly



Not in book

Follow-Up Inspection


- Must determine owner has corrected deficiencies
- For both initial and ongoing inspections, the PHA may:
 - Verify deficiencies are corrected without going onsite
 - Establish different methods for initial and other inspections or for different deficiencies
 - Accept photos or other reliable evidence of correction



Not in book

Interim Inspection

- If a participant or government official notifies the PHA of a potential deficiency in a PBV unit or development:
 - If LT, PHA must inspect and notify owner within 24 hours. Owner has 24 hours to repair from PHA notice
 - If NLT, PHA must inspect and notify owner within 15 days. Owner has 30 days to repair from PHA notice
 - If extraordinary circumstance, HUD may approve exceptions





Terminations

Section 5

Terminations

- PHA must give family:
 - Written description of family obligations
 - Grounds on which the PHA may terminate assistance because of family action or failure to act
 - PHA informal hearing procedures



Terminations

- PHA required to terminate assistance in certain instances
 - Reasons listed in your book on 8-15
- PHA has discretion to terminate assistance in other instances
 - Reasons listed in your book on 8-16
 - PHA may consider the circumstances in these cases and is not required to terminate



Terminations

- If PHA terminates the family's assistance, termination alone does not result in an eviction
 - Unit may remain on HAP contract, may be removed or may be substituted
 - PHA policy



Eviction by Owner

- Lease terminates if:
 - Owner terminates the lease for good cause
 - Tenant terminates the lease
 - Owner and the tenant agree to terminate the lease
 - PHA terminates the PBV HAP contract
 - PHA terminates assistance for the family



Eviction by the Owner

- VAWA protections apply to lease terminations
- Owners may only evict through court action
- If tenant evicted for serious violation of the lease, PHA must terminate assistance



Termination Notification

- Additional procedural rights that do not apply to standard PBV
- Must be included in owner's lease and PHA's admin plan
- Applies to non-RAD PBV units in the project



Termination Notification

- Adequate written notice of termination which must not be less than:
 - A reasonable period of time, not to exceed 30 days
 - If health or safety or other tenants, PHA employees or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of drug-related or violent activity or felony



Update to book

Termination Notification

- Not less than 30 days for nonpayment of rent
 - Supp 4C
- 30 days in any other case, except if state or local law provides for a shorter period of time



Grievance Process



Grievance Process

- In addition to reasons for an informal hearing listed in the HCV regs, residents in converted projects have the right to request an informal hearings for:
 - Disputes with respect to an owner action in accordance with the resident’s lease
 - Issue that adversely affect their rights, obligations, welfare or status with the contract administrator



Grievance Process

- PHA must offer a hearing for determination of:
 - Annual/adjusted income to calculate HAP
 - UA from PHA schedule
 - Family unit size under subsidy standards
 - Termination for family action or failure to act
 - Terminate assistance because of family absence from the unit
 - 180 days (or shorter period in PHA policy)




Grievance Process

- Hearing conducted by person(s) designated by PHA other than person who made or approved decision or their subordinate
- Procedures outlined in admin plan




Grievance Process

- Owner must give written notice that residents may request a hearing for owner’s action in accordance with the lease that adversely affects resident’s rights, obligations, welfare or status
- Must offer hearing before an eviction



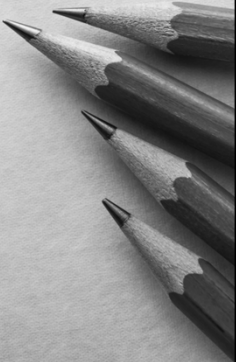
Grievance Process

- Hearings not required for:
 - Class grievances or
 - Disputes between residents not involving the Owner/ PHA



Chapter 8 Post-Test

- Page 8-21






Chapter 9
Reporting & Administrative
Management

nma


Learning
Outcomes



- Describe how PBV units and inspections are incorporated into SEMAP scores
- Complete form HUD-50058, Family Report, for families participating in the PBV program
- Recognize how PBV data is captured in VMS


nma

Learning
Outcomes




- Develop a regular monitoring review process for PBV projects
- Identify and avoid Office of Inspector General (OIG) and other audit findings
- Discuss the reasons that collaboration, coordination, and good working relationships with other governmental entities and stakeholders are important

nma




Learning Outcomes

- Identify staff training needs and arrange for appropriate training
- Identify best practices when establishing PBV program files



Overview

- Sound local administration is essential for the success of the PBV program
- This chapter explores reporting requirements and fundamental administrative tasks PHAs must address






Reporting Requirements

Section 1

Removing Units
from PH



Removing Units from PH

- After CHAP issued, PHA submits application to Inventory Removal module in PIC
 - Identifies units that will be removed from PH ACC upon conversion
 - Notice PIH 2016-23 guidance on removing public housing units issued 12/7/16

nmca

Removing Units from PH

- HUD uses information to:
 - Exempt project from PHAS scoring
 - Beginning the fiscal year in which the PIC removal application was accepted
 - Assess which units can appropriately be removed from PH inventory
- Streamlined inventory removal application available

nmca

PIC Screen


HA Code	HA Name	Temp Office	Program Type	PIC	Low Rent Units	Section 8 Units	Activity Status
11012	KEY WEST		Continued	12/31	590	254	Y
11144	MONROE CO.		Continued	12/31	50	200	Y

SEMAP


Purpose of SEMAP

- Measures performance in 14 key areas
- SEMAP was created to:
 - Objectively measure key areas
 - Identify mgmt capabilities/deficiencies
 - Improve HUD risk assessment for each problem identification
 - Provide self-assessment tool for PHAs


Indicators




Waiting List
15 points




Reasonable Rent
20 points




Adjusted Income
20 points




UA Schedule
5 points




HQS QC
5 points




Indicators




HQS Enforcement
10 points




Expanding Housing
5 points




Payment Standards
5 points




Annual Reexams
10 points




Correct Tenant Rent
5 points




Indicators




Precontract HQS
5 points




Annual HQS
10 points




Lease Up
20 points




FSS
10 points





SEMAP

- PBVs are counted in SEMAP with one exception
 - Indicator 12: HQS Inspections
 - Only a random 20% sample of units in each building inspected




50058s



Not in book

New Form HUD-50058

- HUD issued a revised Form HUD-50058 for HOTMA that was effective 1/1/24 but is not yet being used
 - Awaiting replacement of PIC with the Housing Information Portal (HIP)
 - Once HIP is operational, PHAs will start submitting these new 50058s



Not in book

New Form HUD-50058


1c. Program

Old 50058: Code as VO for PBV

New 50058: PBV is coded as PR = Project-Based Voucher

Office of Public and Indian Housing

1. Agency	
1a. Agency name	1a.
1b. PHA code	1b.
1c. Program	1c.
1d. Project Number	1d.
1e. Building Number	1e.
1f. Building Entrance Number	1f.
1g. Unit Number	1g.
1h. Unit Real Estate (ID Number) (see instructions)	1h.




Not in book

New Form HUD-50058

2a. Type of Action

New admission only processed when a family moves from one PHA program to another

Moves between voucher programs treated as either Unit Change Only, PBV Transfer to Tenant-Based Voucher, or Portability Move-In



Not in book


New Form HUD-50058

2b. Effective Date of Action

Effective date of new admission = effective date of the lease

2. Action

2a. Type of Action	2a.
2b. Effective date (mm/dd/yyyy) of action	2b.




Not in book

New Form HUD-50058


- 2x. Type of Voucher Issuance
 - Only used in HCV when a voucher is used but filled out if family transfers from PBV to HCV

4m. Special program (voucher only)	4m.
2n. Other special programs: Number 01	2n.
2n. Other special programs: Number 02	2n.
2a. PHA use only	2a.
2v. PHA use only	2v.
2i. PHA use only	2i.
2u. PHA use only	2u.
2v. End of Participation reason (only if 2a=6/End Participation)	2v.
2w. Interim Reexamination reason (only if 2a=3/Interim Reexamination)	2w.
2x. Type of voucher issuance (HCV only)	2x.



New Form HUD-50058

- PBV follows the same rules for rent calculation as HCV
 - PHA completes Sections 6, 7, 8, and 9 just like in HCV and public housing
 - Rent is calculated used Section 11



VMS/eVMS



What is VMS/eVMS?

- Voucher Management System (VMS) provides a central system to monitor and manage PHA use of vouchers
- Enables HUD to fund, obligate, and disburse funding
- PHAs must electronically submit data for PBV monthly
- eVMS is anticipated to fully roll out in 2025



VMS

- For RAD PBV, no VMS reporting occurs until January 1 following the calendar year of conversion
- Thereafter, PHAs must electronically submit data for PBV monthly
 - Submit HUD-52681-B (in REAC system)
 - Used to report leasing and HAP expense data



VMS

- Used to reconcile PHA's disbursement for all HAP funds received, including those for RAD PBV
 - HUD monitors quarterly for over and under-payments
 - Admin fee disbursement reconciled quarterly based on data submitted in VMS



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[illegible]

VMS UML/HAP Headings

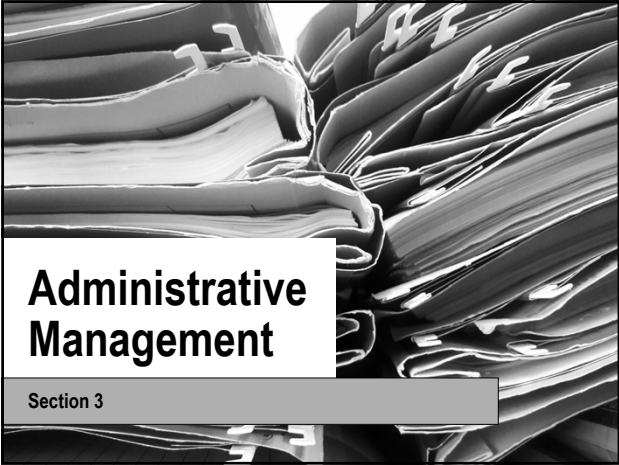
Monthly Voucher Data Validation and Save Page						
BLSSE		Housing Authority of the County of Lake, IL		MONTH: May	YEAR: 2022	VERSION: 18
Voucher UML/HAP	Income/Expenses	Expense Comments	Dossier UML/HAP	ENHP UML/HAP	PMA Info	Submission Executive Summary
Emergency Housing Voucher UML and HAP						
Emergency Housing Vouchers I	<input type="text" value="24"/>	<input type="text" value="21,802"/>				
Emergency Housing Vouchers I - Number of New Vouchers Issued but not Under HAP Contract as of the last day of the month:	<input type="text" value="25"/>					
Emergency Housing Vouchers I - HAP Expenses After the First of the Month:	<input type="text" value="1,202"/>					
Emergency Housing Vouchers I - Admin Fees - Preliminary Fee Expenses:	<input type="text"/>					
Emergency Housing Vouchers I - Admin Fees - Payment/Insurance Fee Expenses:	<input type="text"/>					



VMS Screen Shot

[illegible]

[illegible]




Administrative Management

Section 3


Project's Annual Operating Budget

- Annually, project owner must submit to the PHA's Board the project's operating budget
- When timely requested, project owner must also submit property-specific audited year-end financial statements
- Must confirm the project owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the project



PBV Property Monitoring Reviews

- HUD does not require PHAs to monitor management of PBV properties
 - Except for provision of and participation in supportive services
- HUD OIG, however, cites PHAs and HUD for not monitoring



PBV Property Monitoring Reviews

- PHA may establish additional monitoring requirements in admin plan to ensure
 - Properties are well managed
 - Reduced risk of default on HAP contract
 - PHA can work with owners to resolve issues early on



PBV Property Monitoring Reviews

- Key areas PHA may consider monitoring annually or biannually include:
 - Payment of utilities
 - Payment of property taxes and insurance
 - Payment of flood hazard insurance
 - Required for new construction and rehab
 - Financial solvency and payment of loans
 - Maintenance records and response times



PBV Property Monitoring Reviews

- Key areas PHA may consider monitoring annually or biannually include (continued):
 - Replacement needs
 - Reviews by other funding providers
 - Crime rates at the property
 - Neighborhood relationships
 - Complaints
 - Overall compliance with HAP contract



Audits

- In your book for your reference are a synopsis of audit findings that should be avoided when implementing a PBV program
- HUD required many audited PHAs to reimburse funds for unsupported PBV expenditures, including HAP



Audits

- In order to avoid such findings, a list of question to ask yourself is provided in your book
 - If you answer “no” to any of these questions, take corrective action



Coordination of Other Governmental Entities and Stakeholders

- Effective coordination, collaboration and positive working relationships with stakeholders is important to implement a quality PBV program
 - Key stakeholders listed in your book



Coordination of Other Governmental Entities and Stakeholders

- Benefits include
 - A joint commitment to the PBV program
 - Knowing the people to contact when issues arise
 - Innovative generation of ideas and approaches
 - Pooling resources
 - Mitigation of delays in obtaining required information



Staffing and Training Needs

- Blending of HCV tenant-based administration and project-based administration
 - Neither model fits perfectly
- Consider designating specific positions or teams for PBV, RAD PBV, or at least one PBV SME




Staffing and Training Needs

- Staff should have a sound knowledge of PBV regulations and requirements
 - How PBV program differs from HCV tenant-based program
 - How the RAD PBV program differs from the standard PBV program




Contracting Administrative Functions

- PHA may consider outsourcing some of the administrative responsibilities for PBV through agreements with
 - Service providers
 - Owners
- PHA may share percentage of admin fee



Contracting Administrative Functions

- If PHA outsources administrative tasks, PHA should consider:
 - PHA still responsible for compliance with HUD regulations
 - Owners or sponsors must have well trained staff and must meet reporting deadlines
 - PHA must monitor tasks assigned to owners or sponsors






PBV Project Files

Section 4


PBV Project Files

- Remember to maintain all RAD PBV contract documentation during contract period and at least three years thereafter, consistent with tenant-based program and other federal record retention requirements




PBV Project Files

- No requirement to maintain a copy of the HAP contract or unit inspection in each family's file




PBV Project Files

- Files should include:
 - Pre-contract documentation (permanent record)
 - Conversion commitment
 - CHAP
 - Environmental review docs
 - Subsidy layering review and approval
 - Documentation of ownership
 - Identification of owners




PBV Project Files

- Files should include
 - Conflict of interest disclosure
 - Proof of flood and liability insurance
 - Pre-contract or unit acceptance inspection reports
 - Owner cert housing meets HQS
 - Owner cert of compliance with labor standards and equal opportunity
 - Tenant selection plan or screening criteria
 - Social services plan




PBV Project Files

- HAP contract (permanent record)
 - Part I
 - Part II
 - All exhibits and riders
 - Contract amendments and renewals



PBV Project Files

- PBV working file
 - Current summary information for each property
 - Correspondence between PHA and owner
 - Complaints and resolutions
 - Determination of rents, rent reasonableness
 - Property reviews and site visits
 - Annual/Biennial Inspection reports (3 years)
 - Vacancy claims and approvals



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