

Housing Help Sessions

Streamlining Final Rule – March 2016

NMA Host:
Trainer Annie Stevenson



Welcome to Housing Help!

- Today's topic:
 - Streamlining rule changes for HCV & PH
 - Changes already implemented
 - Temporary compliance options
 - Mandatory and optional streamlining measures
 - Effective dates



Streamlining Final Rule

- Published March 8, 2016 in the *Federal Register*
- Available at:
<https://www.gpo.gov/fdsys/pkg/FR-2016-03-08/pdf/2016-04901.pdf>
- Recommendation: read the entire notice



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 3



Streamlining Final Rule

- Most provisions are effective April 7
 - Longer timeline for EID
 - Some changes are already in effect
- Changes require revisions to ACOP, administrative plan, annual plan



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 4



Streamlining Final Rule

- HUD will provide supplemental guidance
 - Per e-mail to EDs March 8
 - Guidance will be issued “in the near future”



Slide 5

Housing Help Sessions
Streamlining Final Rule – March 2016



Previously-Implemented Changes



Slide 6

Housing Help Sessions
Streamlining Final Rule – March 2016



Previously-Implemented Changes

- The streamlining rule finalized regulatory changes implemented pursuant to 2014 & 2015 appropriations acts
- No changes to HUD's previous instructions for implementation



Slide 7

Housing Help Sessions
Streamlining Final Rule – March 2016



Previously-Implemented Changes

- 2014 Appropriations (Federal Register 6/25/14)
 - Extremely low-income definition (HCV & PH)
 - Option for biennial inspections (HCV)
 - Utility allowance rule change (HCV)
- Effective July 1, 2014



Slide 8

Housing Help Sessions
Streamlining Final Rule – March 2016



Previously-Implemented Changes

- 2015 Appropriations (Federal Register 9/8/15)
 - Flat rent changes
 - Use of 80% FMR or 80% SAFMR or 80% unadjusted rent
 - Phase-in at 35%/year
 - Effective October 8, 2015



Slide 9

Housing Help Sessions
Streamlining Final Rule – March 2016



Temporary Compliance Options

- These were available to PHAs from 2013-2015
 - PHAs may still be implementing 1 or more under HUD waivers
- 3 of the 4 options are included under the streamlining rule
 - With some changes to the original version



Slide 10

Housing Help Sessions
Streamlining Final Rule – March 2016



Temporary Compliance Options

- Options which are available:
 - Streamlined annual reexams
 - Self-certification of assets totaling \$5k or less
 - HCV exception payment standards to 120% FMR
- The option for using prior-year income was removed
 - Cannot continue to implement



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 11



Changes Applicable to Both PH & HCV



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 12



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



Slide 13

Housing Help Sessions
Streamlining Final Rule – March 2016



Verification of SSNs

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



Slide 14

Housing Help Sessions
Streamlining Final Rule – March 2016



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 terminate



Slide 15

Housing Help Sessions
Streamlining Final Rule – March 2016



Streamlined Annual Reexams

- PHA may elect to conduct a streamlined income determination for family members with a fixed source of income
 - Optional policy



Slide 16

Housing Help Sessions
Streamlining Final Rule – March 2016



Streamlined Annual Reexams

- At admission, 3rd party verification of all income sources for all family members is required
 - Or must document in file why 3rd party verification was not available



Slide 17

Housing Help Sessions
Streamlining Final Rule – March 2016



Streamlined Annual Reexams

- After admission, PHA may adopt a policy to conduct a full reexam every 3 years for all fixed sources of income
 - Even if family also has other sources of income
- Must still follow traditional verification methods for all other sources of income



Slide 18

Housing Help Sessions
Streamlining Final Rule – March 2016



Streamlined Annual Reexams

- “Fixed” source of income means:
 - Income consists solely of periodic payments at reasonably predictable levels



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 19



Streamlined Annual Reexams

- Social Security, SSI, SSDI
- Federal, state, local, or private pensions
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits or other similar types of periodic receipts
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 20



Streamlined Annual Reexams

- For each fixed source, apply verified COLA or current interest rate to previously verified or adjusted amount



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 21



Streamlined Annual Reexams

- Must verify COLA or current interest rate from either:
 - A public source, or
 - Tenant-provided, third-party generated documentation



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 22



Streamlined Annual Reexams

- Must obtain third-party documentation:
 - If public source or tenant-provided documentations unavailable
 - Every 3rd reexam
- Remember, the PHA may choose not to streamline in this way



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 23



Earned Income Disallowance

- Two changes to the EID
 - Mandatory: Reduced time frame
 - Optional: Percentage of exclusion in second year



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 24



Earned Income Disallowance

- Changes to the EID will apply to individuals qualifying on or after May 9, 2016
- For individuals qualifying prior to May 9, the old rules still apply
 - Could last into 2020



Slide 25

Housing Help Sessions
Streamlining Final Rule – March 2016



Earned Income Disallowance

- Reduces amount of time a participant is eligible to receive EID from a maximum of 4 years to a maximum 2 years
 - Two 12-month periods run **consecutively** regardless of breaks in employment
 - No more tracking!



Slide 26

Housing Help Sessions
Streamlining Final Rule – March 2016



Earned Income Disallowance

- In Year 2, PHAs must exclude “at least 50%” of the income increase due to earnings
 - Could exclude 100% in both years
 - Could continue to exclude 50% in Year 2
 - Could select another percentage



Self-Certification of Assets

- Optional policy
- Rationale: assets have little to no impact on overall PHA subsidy need
- The verification process is burdensome and error-prone



Self-Certification of Assets

- At admission, third-party verification of all assets, regardless of amount, for all family members is required
 - Or must document in file why 3rd party verification was not available



Slide 29

Housing Help Sessions
Streamlining Final Rule – March 2016



Self-Certification of Assets

- Thereafter, when net family assets equal \$5,000 or less, PHA **may** accept self-certification
 - PHA may continue to 3rd-party verify all assets, regardless of amount
- Must obtain 3rd party verification of all family assets every 3 years



Slide 30

Housing Help Sessions
Streamlining Final Rule – March 2016



Self-Certification of Assets

- Certification must state the amount of income family expects to receive
 - Amount must be included in family's income
 - May be on a reexam form with each asset listed



Slide 31

Housing Help Sessions
Streamlining Final Rule – March 2016



Utility Reimbursement

- PHA may elect to establish policies 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



Slide 32

Housing Help Sessions
Streamlining Final Rule – March 2016



Utility Reimbursement

- If PHA reimburses quarterly, must establish **hardship policies** if quarterly payments pose a financial hardship on families
- If reimbursement is paid on a debit card, PHA must ensure that no fees are paid by the family



Slide 33

Housing Help Sessions

Streamlining Final Rule – March 2016



Utility Reimbursement

- If family moves out in advance of next scheduled payment, PHA must make a prorated payment
 - If family leaves with an outstanding credit, must reconcile credit with the family when the HAP contract terminates or shortly thereafter/prior to lease expiration in PH



Slide 34

Housing Help Sessions

Streamlining Final Rule – March 2016



Utility Reimbursement

- If PHA pays the utility supplier directly, must notify the family of the amount paid to the utility supplier



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 35



HCV Provisions



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 36



Biennial Inspections

- Both biennial inspections and use of alternative inspection standards are optional
 - PHAs may conduct biennial inspections, annual inspections, or a mix of the two



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 37



Biennial Inspections

- In the case of a property assisted with PBVs that is subject to an alternative inspection, the PHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement (983.103(g))
 - LIHTC inspections are at least once every 3 years



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 38



Biennial Inspections

- If PHA relies on alternative inspection methods:
 - Must identify method in the admin plan
 - HCV units must be included in the population of units forming the sample
 - May not rely on inspections if a property fails
 - If property passes, even if deficiencies are identified, may rely on inspection



Biennial Inspections

- If inspections other than LIHTC, HOME or HUD inspections are used, must submit protocol to HUD for approval
 - Typically local housing code inspections
 - Code must meet or exceed HQS
 - Must certify annually code hasn't changed or re-submit to HUD for approval



Reinspection Fees

- PHA may establish a “reasonable” fee for specific situations
- PHA may never charge owners for:
 - Any inspection/reinspection of the unit prior to initial term of the lease
 - First inspection during assisted occupancy



Slide 41

Housing Help Sessions
Streamlining Final Rule – March 2016



Reinspection Fees

- PHA may establish a reasonable fee for reinspections in two situations:
 - Owner notifies PHA that a repair was made and subsequent reinspection shows it wasn't
 - Allotted time period for repair has lapsed and reinspection shows repair was not made
 - Regardless of whether the owner reported repairs were made



Slide 42

Housing Help Sessions
Streamlining Final Rule – March 2016



Reinspection Fees

- Policy is optional
- PHA should establish local policies
 - Could specify alternate standards such as fees only on second reinspection



Slide 43

Housing Help Sessions
Streamlining Final Rule – March 2016



Reinspection Fees

- Owner may not pass fee along to family
- Fees are included in PHA's admin fee reserve
- Fees may be used only for activities related to provision of HCV assistance



Slide 44

Housing Help Sessions
Streamlining Final Rule – March 2016



Reinspection Fees

- Things to consider:
 - How will the PHA collect fees?
 - What if owner refuses to pay?
 - Could charging a fee discourage owner participation?
 - HAPC already contains remedies for HQS fails



Slide 45

Housing Help Sessions
Streamlining Final Rule – March 2016



Inspections

- If a participant or government official reports life-threatening (24-hour) conditions, PHA must inspect the unit within 24 hours of when the PHA received notification
- If condition is not life-threatening, PHA must inspect the unit within 15 days of when the PHA received the notification



Slide 46

Housing Help Sessions
Streamlining Final Rule – March 2016



Exception Payment Standards

- PHA may approve exception payment standards up to 120% of FMR without HUD approval if required as a reasonable accommodation
- Old rule: PHA approval up to 110%
 - Field office approval up to 120%
 - HUD HQ approval over 120%



Interim Reexams When Adding a Family Member

- Removed regulatory requirement to conduct an interim when a new family member added
- New language: Appropriate change must be made at the effective date of a regular or interim reexam
 - Aligns with PH requirement



Interim Reexams When Adding a Family Member

© Copyright 2016 Nan McKay & Associates

- Question has been submitted to HUD since the PHA must still determine eligibility
- If rent would decrease, must process under regulations on interim reexams



Slide 49

Housing Help Sessions
Streamlining Final Rule – March 2016



PH Provisions

© Copyright 2016 Nan McKay & Associates



Slide 50

Housing Help Sessions
Streamlining Final Rule – March 2016



Rents for Mixed Families

- PHA must use the flat rent applicable to the unit to calculate rent for mixed families
 - Eliminate PH maximum rents
- When a mixed family's TTP exceeds the flat rent, use the family's TTP
- Check with your software provider to make sure software can do this



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 51



Community Service

- PHAs **may** accept a tenant's signed self-certification of compliance with CSSR
 - PHA **may** still obtain verification from 3rd party source
 - PHA should investigate compliance when there are questions of accuracy



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 52



Community Service

- Signed self certification must include:
 - A statement that the tenant contributed 8 hours per month
 - The name, address, and contact person where the activity occurred
 - Dates during which tenant completed hours
 - A description of the activity
 - A certification that the statement is true



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 53



Community Service

- Must review a sample of self-certifications and validate them for accuracy
 - Not required to obtain additional verification
 - Checking that certifications are complete and provide sufficient information
- Must notify families that any self-certification may be subject to validation



Housing Help Sessions
Streamlining Final Rule – March 2016
Slide 54



Grievance Procedures

- The regulations covering grievances underwent major revision
 - Proposed rule published in 2008
- HUD felt that regs were overly prescriptive compared to HCV



Slide 55

Housing Help Sessions
Streamlining Final Rule – March 2016



Grievance Procedures

- PHA is no longer required to consult resident organizations before appointing a hearing officer
- Lease must include a description of PHA's policies for selecting a hearing officer



Slide 56

Housing Help Sessions
Streamlining Final Rule – March 2016



Grievance Procedures

- PHA is no longer required to maintain hearing library
- Must maintain a log of hearing officer decisions
 - Must make log available upon request



Grievance Procedures

- PHA must meet minimum procedural due process requirements and requirements under local, state or federal law



Grievance Procedures

- 966.55 was removed
 - Requesting hearings
 - Selection of hearing officer/panel
 - Failure to request a hearing
 - Hearing prerequisite
 - Escrow deposits
 - Scheduling of hearings
 - Expedited grievance procedures (this was added to a different section)



Slide 59

Housing Help Sessions

Streamlining Final Rule – March 2016



Grievance Procedures

- Removed 966.56(c) and (f):
 - Hearing officer/panel may make decision without the hearing if they determine the issue has been previously decided
 - Specific language on how the hearing is conducted



Slide 60

Housing Help Sessions

Streamlining Final Rule – March 2016



Limited Vacancies

- The number of vacant units eligible for operating subsidy must be not more than 3% of the total units, on a project-by-project basis



Slide 61

Housing Help Sessions
Streamlining Final Rule – March 2016



NMA Housing Help Session

NEXT TOPIC...

Your Questions!



Slide 62

Housing Help Sessions
Streamlining Final Rule – March 2016



NMA Housing Help Session

Thank You For Attending!



Housing Help Sessions
Streamlining Final Rule – March 2016

Slide 63

