







SECTION 3

- Proposed rule published March 27, 2015.
- A final rule has yet to be published.

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PIH 2018-04

- Demolition and Disposition Guidance
 - Issued 13 page document after cancelling proposed rule.
 - Describes application processing and requirements
 - Requires PHA to show that Demo/Dispo is in the best interest of the tenants

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PIH 2018-03

- Guidance on use of operating subsidy for capital fund purposes
 - PHAs can use up to 20% of their annual Operating Subsidy for CFP activities beginning CY 2018.
 - HUD will publish the maximum amount of Operating Subsidy allowable for CFP activities towards the end of each funding year.
 - Operating Subsidy to be used for CFP activities must remain in e-LOCCS.

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PIH 2018-1

- Guidance on Recent Changes in Fair Market Rent (FMR), Payment Standard, and Rent Reasonableness Requirements in the Housing Choice Voucher Program
 - Notice provides guidance on the regulatory provisions implemented under the Small Area FMR (SAFMR) Final Rule instead of the previous 50th Percentile FMRs published in the *Federal Register* on November 16, 2016.
 - The effective date of the Final rule is January 17, 2017

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OTHER 2018 UPDATES

- 2018 Income limits for FY 2018 published April 2
- OIG releasing more reports on improper administration of HCV programs
- May PHAs mistakenly think they have designated housing units
 - Must renew initial plan in 5 years and every 2 years thereafter.
 - If failed to renew, designation expired and housing is no longer designated.
 - If in doubt, check status of your designated housing plan at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/dhp/designated

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT (HOTMA)

- Implemented
 - Reasonable Accommodation Payment Standards
 - HCV – No PHA is required, as a result of a reduction in the FMR, to reduce the payment standard applied to a family continuing to reside in a unit under a HAP contract at the time the FMR was reduced.
 - Revised the length of the term that a Family Unification Program (FUP) eligible youth may receive FUP assistance from 18 months to 36 months.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implemented *(continued)*
 - Exception to Public Housing Agency Resident Board Member Requirement for HA of County of Los Angeles or any PHA in the States of Alaska, Iowa, and Mississippi.
 - Authorized local governments to subaward Emergency Solution Grants funds to public housing agencies and local redevelopment authorities.
 - HUD intends to issue guidance explaining the conditions and requirements that apply to subawarding ESG funds to PHAs and local redevelopment authorities.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implemented *(continued)*
 - Prohibits HUD from requiring units developed under the Self-Help Homeownership Opportunity Program (SHOP) to meet energy efficiency standards other than those in section 109 of the CranstonGonzalez National Affordable Housing Act

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implemented *(continued)*
 - Extended the definition of “rent” for vouchers to include monthly payments for purchasing a manufactured home, tenantpaid utilities, and monthly rent for real property.
 - Guidance found in Notice PIH 201718
 - Requires HAP adjustments for manufactured home space rentals under HAP contract BEFORE April 18, 2017.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implemented *(continued)*
 - Authorized assistance payments for up to 30 days if an initial inspection reveals nonlifethreatening defects.
 - Authorizes occupancy of units before an inspection by the PHA if the property has met the requirements of an alternative inspection in the previous 24 months.
 - Guidance & definitions found in Notice PIH 201720

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implemented *(continued)*
 - Requires lifethreatening deficiencies to be corrected within 24 hours and sets the time for correcting other deficiencies at 30 days unless the PHA determines otherwise.
 - Provides families with 90 days to relocate to a new unit if an owner fails to correct the defaults and allows PHAs to use up to two months of any assistance amounts withheld or abated for costs directly associated with relocation of these families.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

Implementation Guidelines **Issued**

- Amended PBV program (Notice PIH 201721)
 - Changes limitation on PBV vouchers from a funding to a unit calculation and allows for additional projectbased vouchers for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons, or in areas where vouchers are difficult to use;
 - Changes the cap on the number of PBV units in a project to be the greater of 25 units in a project or 25% of the units in a project;
 - Allows PHAs to provide for an initial PBV contract of up to 20 years;
 - Provides owners and PHAs the ability to adjust rents based on an operating cost adjustment factor;
 - Permits owners to use sitebased waiting lists;
 - Allows PHAs to attach assistance to structures in which the PHA has an ownership interest or control without following a competitive process; and
 - Allows PHAs to use projectbased HUDVASH and FUP vouchers under the same policies and procedures applicable to general purpose vouchers.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines
 - Requires that FMRs be published at least 30 days before they go into effect.
 - To protect current voucher holders from declines in subsidies when FMRs drop, PHAs are permitted to continue to use payment standards based on the pre-reduction FMRs for as long as a family remains in the same unit

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Requires reviews of family income to be conducted upon admission and annually thereafter, depending on certain decreases or increases in annual adjusted income.
 - Also requires HUD to develop electronic procedures enabling PHAs to access income determinations for other Federal meanstested programs.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Changes the definitions of income and adjusted income for each member of the household who is 18 years or older and unearned income for each dependent who is less than 18.
 - Eliminates the requirement that reviews of family income shall be made no less frequently than annually.
 - Not effective until the beginning of the calendar year after HUD issues the notice or regulation.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Sets the maximum amount of annual adjusted income for continued occupancy in public housing at 120% of area median income (AMI)
 - Family is only subject to this limitation if their annual adjusted income meets or exceeds the maximum amount for two (2) consecutive years.
 - For a family meeting this threshold for 2 consecutive years, the PHA has the option to terminate the family's tenancy or to allow them to remain in the unit at a higher rent amount.
 - Requires PHAs to submit to HUD and make public a report listing the number of families in public housing with incomes above 120% AMI and the number of families on PH waiting lists.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Sets limits on the assets that families residing in assisted housing may have.
 - Also directs HUD, beginning October 1, 2017, to direct PHAs to require all applicants and recipients under the 1937 Act to authorize the PHA to obtain financial information needed in connection with a determination with respect to eligibility.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Capital Fund and Operating Funds
 - Allows PHAs to establish a Capital Fund Replacement Reserve, for which HUD may allow a PHA to transfer more than 20% of its operating fund to establish the reserve;
 - Sets a 20% operating funds cap for capital improvements; and
 - Requires PHA accounting and reporting on replacement reserves funds.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Requires PHAs to use income from the prior year when setting rents, except for purposes of the initial income determination when a family begins receiving housing assistance and interim recertifications due to changes in income.
 - Allows PHAs to rely on determinations of income conducted for other federal meansted public assistance programs, including TANF, Medicaid, and Food Stamps.
 - States that PHAs cannot be required to maintain records of excluded income.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Interim recertifications at tenant's request for any decrease in adjusted income exceeding 10% (and for smaller drops if HUD establishes or permits the PHA to establish a threshold below 10%)
 - Required recertifications for an annual increase exceeding 10% (or a different threshold if HUD establishes one), except that no interim rent increases based on earnings are permitted unless the family has received an interim reduction during the year.
 - PHA may choose not to conduct an interim recertification for an increase in income that occurs in the last 3 months of a certification period.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Elimination of Earned Income Disallowance
 - Dependent deduction of \$480 may be adjusted for inflation in future years.
 - Increases standard deduction for elderly and disabled families to \$525, with adjustment for inflation in future years.
 - Limits deduction for medical, attendant care and auxiliary aid expenses to those exceeding 10% of income
 - Provides for exemptions for families who, due to financial hardship, cannot pay rent increases required by HOTMA.

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Excludes from annual income “any expenses related to aid and attendance under section to veterans who are in need of regular aid and attendance”.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Actual income from assets is counted when determining rents.
 - Imputed income is only calculated when net family assets exceed \$50,000.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Makes applicants and current tenants or participants ineligible for PH or the Section 8 programs if they have more than \$100,000 in net assets or have “a present ownership interest” in a suitable home for which they have a legal right to reside and legal authority to sell.
 - Does not apply to homes being purchased with a voucher .
 - Does not apply if the family includes a person who is a victim of domestic violence or is offering the home for sale.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Implementation Guidelines **PENDING**
 - Allows PHAs and owners to adopt a policy of not enforcing the asset limitations at all, to establish exceptions, or to delay for up to six months evictions of tenants or termination of voucher holders with assets above the limit.
 - Allows family selfcertification that its assets do not exceed \$50,000 and it does not have an ownership interest in real property.

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HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT

- Requires HUD to:
 - Requires HUD to regularly publish data regarding utility consumption and costs that can be collected costeffectively and that HUD determines will be useful for setting voucher utility allowances, and to provide the data in a manner that avoids unnecessary administrative burdens for agencies and protects families from high rent and utility cost burdens relative to income.
 - Directs HUD to publish model guidelines for minimum heating requirements in public housing.

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DEADLINES

- Full implementation of SmokeFree Public Housing
 - July 30, 2018
- What is full implementation?
 - Amended ACOP and PHA Plan
 - All tenants executed new lease or lease addendum with civil clauses in addition to criminal clauses
 - Smoke Free signage
 - Initiation of progressive lease enforcement

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DEADLINES

- **MUST** implement SmokeFree requirements by amending each of the following:
 - ACOP
 - Applicable PHA Plans
 - Tenant Leases

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DEADLINES

- **MUST** document SmokeFree Policy in PHA Plans
 - Requires resident engagement and public meetings
- **MUST** consult with Resident Advisory Boards (RABs)

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DEADLINES

- **MUST** amend 'Tenant Obligations' section of Lease or Lease Addendum
- **MUST** incorporate the SmokeFree Policy into Tenant Lease or Lease Addendum,

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DEADLINES

- ‘Tenant Obligations’
- **MUST** amend to state:
 - To assure that no tenant, member of the tenant’s household or guest engages in:
 - (A) Criminal Activity
 - (B) **Civil Activity.** Any smoking of prohibited tobacco products in restricted areas, as defined by 24 CFR 965.653(a), or in any other outdoor areas that the PHA has designate as smokefree.

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DEADLINES

- Smoke-Free Policy: Progressive Discipline minimum requirements
 - Verbal warning, copy of policy, signature
 - Written warning, copy of policy, signature
 - Final notice, copy of policy, signature
 - Eviction proceedings.

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DEADLINES

- PAST DEADLINE
 - Full implementation of VAWA Emergency Transfer Plans, Notices and Lease Provisions
 - December 16, 2017

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2018 OMNIBUS BILL

- Public Housing Capital Fund: 42% or \$808.5 million increase
- Public Housing Operating Fund: 3% or \$150 million increase
- RAD cap increased to 455,000 units and the deadline is extended by 4 years
- Choice Neighborhoods: 9% or \$12.5 million increase
- S8 Housing Assistance Payment Renewals: 7% or \$1.245 billion increase
- Ongoing Administrative Fees: 5% or \$90 million increase
- Family Self Sufficiency: level funding
- Section 8 Project Based Rental Assistance: 6% or \$699 million increase
- Community Development Block Grant: 10% or \$300 million increase
- HOME Investment Partnerships: 43% or \$412 million increase
- Housing Opportunity For Persons with AIDS: 5% or \$19 million increase
- Homeless Assistance Grants: 5% or \$130 million increase
- Affordable Housing Credit Improvement Act (S. 548, H.R. 1661). Increased allocation by 12.5% for 4 years and allows for income averaging

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FUTURE FUNDING

- 2018 Budget sent to Congress by President may set tone for budgetary discussions for 2019.
- President recommended decreases i:
 - PH funding by 44%
 - Capital Fund Program by 100%
 - Section 8 HAP renewals by 4.6%
 - Ongoing Admin Fees by 6.7%
 - CDBD by 100%

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The president's 2019 budget proposal is a first step in the appropriations process and sets the tone for conversations on budget priorities. It is a political document that does not carry the force of law.

- Public Housing Capital Fund: \$0, a \$1.941 billion decrease
- Public Housing Operating Fund: \$2.477 billion, a 44 % decrease
- Rental Assistance Demonstration: \$100 million, a \$100 million increase
- Choice Neighborhoods: \$0, a \$137.5 million decrease
- Section 8 HAP Renewals: \$17.514 billion, a 4.6% decrease
- Ongoing Administrative Fees: \$1.53 billion, a 6.7% decrease
- Family Self Sufficiency: \$75 million, level funding
- Section 8 PBRA: \$10.866 billion, a \$50 million increase
- Community Development Block Grant: \$0, a \$3 billion decrease
- HOME Investment Partnerships: \$0, a \$950 million decrease
- Housing Opportunity for Persons with AIDS: \$330 million, a 7% decrease
- Homeless Assistance Grants: \$2.383 billion, level funding

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**THANK YOU FOR YOUR
ATTENTION!**

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