

Source of Income Ad Hoc Advisory Committee

## Review of Key Housing Choice Voucher Program Terms and Concepts



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## Purpose

To provide programmatic context that gives a baseline understanding of INILIVIAN's Housing Choice Voucher program necessary for the work of the SOI Ad Hoc Advisory Group.



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## Moving to Work (MTW) Program

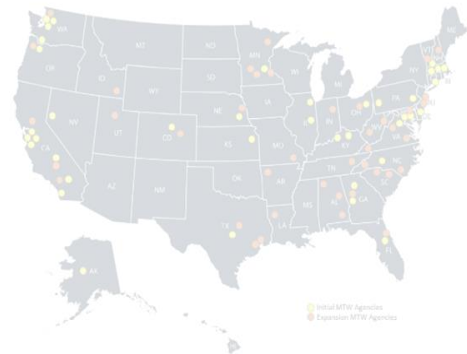
- Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) demonstration program which allows designated housing authorities to design and test innovative housing and self-sufficiency initiatives targeted to address local needs.
- INLIVIAN is one of the original 39 public housing authorities to have received the MTW designation.
- Allows MTW agencies funding flexibilities and the ability to waive certain statutes and regulations in order to:
  - increase housing choice for low-income families,
  - encourage households to pursue self-sufficiency, and
  - improve administrative and operational cost effectiveness.
- INLIVIAN received its MTW designation in 2006.
- In April 2016, the MTW agreement was extended for an additional ten years through 2028.



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## Moving to Work (MTW) Program (cont.)

- Examples of policy changes made possible under MTW:
  - Biennial inspections
  - Biennial/Triennial recertifications
  - Increased Payment Standards
  - Self-certification of non-emergency unit conditions
  - Housing Provider incentives
  - Community Based Rental Assistance (CBRA) Program
  - Client services and case management
  - Expanded briefings—applicant training
  - Redevelopment efforts
- INLIVIAN continues to look for ways to enhance our programs utilizing its MTW authority.



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## Area Median Income (AMI)—FY 2021

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area	\$84,200	Very Low (50%) Income Limits (\$) Explanation	29,500	33,700	37,900	<b>42,100</b>	45,500	48,850	52,250	55,600
		Extremely Low Income Limits (\$)* Explanation	17,700	20,200	22,750	<b>26,500</b>	31,040	35,580	40,120	44,660
		Low (80%) Income Limits (\$) Explanation	47,150	53,900	60,650	<b>67,350</b>	72,750	78,150	83,550	88,950

Established annually by the U.S Department of Housing and Urban Development.

- AMI is used to determine a family's initial income eligibility for housing.
- Income eligibility for the HCV program—family income cannot exceed 50% of AMI (very low).



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## Tenant Portion of Rent

- The participant portion of the rent and utilities is considered the **total tenant payment (TTP)**.
- The INLIVIAN portion of the rent is considered the subsidy or **Housing Assistance Payment (HAP)**.
- Calculating the participant and the INLIVIAN portion of the rent:

### **STEP 1: Total Tenant Payment (TTP) (Family Share)**

- Family share or total tenant payment (TTP) is the minimum amount a family must contribute toward rent and utilities. TTP is the Greater of:
  - 30 percent of the family's monthly adjusted income—the total annual income minus any deductions for which the family qualifies (i.e. dependent allowance, elderly/disabled allowance, childcare allowance and medical deductions);
  - 10 percent of family's monthly gross income; or
  - INLIVIAN minimum rent which is \$75.



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## Tenant Portion of Rent (cont.)

### TTP Calculation – Example

Annual Income	\$ 14,304.00	
Deductions	<u>- \$ 400.00</u>	(Elderly/Disabled Allowance)
Adjusted Income	\$ 13,904.00	
Monthly Income	\$ 1,159.00	<u>(\$13,904 / 12 months)</u>
<b>Total Tenant Payment</b>	<b>\$ 348.00</b>	<b>(\$1,159 x .30)</b>

The family may be responsible for utilities or the utilities are included in the total rent for the unit.

INLIVIAN provides a utility allowance in the TTP calculation for tenant paid utilities.

The utility allowance is an estimate of the monthly cost of the reasonable consumption of essential utilities not included in the tenant rent but for which the tenant is responsible.

In this example the utility allowance for the selected unit is \$77.00.



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## Tenant Portion of Rent (cont.)

### STEP 2: Maximum Subsidy/INLIVIAN HAP

The maximum subsidy the INLIVIAN can pay for a unit is the contract rent (total unit rent) minus the tenant rent. The tenant rent is equal to the TTP minus any applicable utility allowance.

#### Tenant Rent - Example

Total Tenant Payment	\$ 348.00
Utility Allowance	<u>- \$ 77.00</u>
Tenant Rent	\$ 271.00

#### Maximum subsidy/INLIVIAN HAP - Example

Contract Rent:	\$ 650.00
Tenant Rent	<u>- \$ 271.00</u>
Maximum HAP Subsidy	\$ 379.00

#### Rent to Owner - Example

Tenant Rent + INLIVIAN Subsidy/ HAP = Rent to Owner (\$271.00 + \$379.00 = **\$650.00**)

#### Gross Rent - Example

Rent to Owner + Utility Allowance = Gross Rent (\$650.00 + \$77.00 = **\$727.00**)



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## HCV Family-Housing Provider-INLIVIAN Relationship



- Voucher—outlines family and INLIVIAN responsibilities
- HAP Contract—outlines INLIVIAN and Housing Provider responsibilities; **it does not preclude a Housing Provider from enforcing the lease**
- Lease—outlines family and Housing Provider responsibilities



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## Housing Assistance Payment (HAP) Contract

- Contract between the Housing Provider and INLIVIAN to provide tenant-based assistance under the Housing Choice Voucher program.
- Provisions of the HAP contract include:
  - HAP Contract Term
  - HQS Requirements
  - Housing Assistance Payments
  - Rent Increases
  - HAP
  - Contract Termination
  - Notices



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## Voucher Subsidies Administered by INLIVIAN

- **Tenant-based** (also referred to as Housing Choice Vouchers—HCVs)
  - A subset of tenant-based vouchers:
    - Special Purpose Vouchers—awarded by HUD to serve special populations
      - Emergency Housing Vouchers (EHV)
      - Veterans Affairs Supporting Housing (HUD-VASH)
      - Family Unification (FUP)
      - Mainstream
      - Non-elderly Disabled



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## Voucher Subsidies Administered by INLIVIAN (cont.)

- **Project-based (PBV)**—HCV subsidy attached to a housing unit of housing
  - Traditional PBVs—awarded utilizing tenant-based voucher funding
  - Rental Assistance Demonstration (RAD) program—a HUD program that seeks to preserve affordable housing by converting public housing assistance to a more stable funding source via long term project-based assistance.
    - This allows PHAs to leverage project-based assistance to address the capital needs of a property in a way not available under the public housing program



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## HQS Inspection Process

Step	Action	Timeline (avg days)
1	Submit via Email Request for Tenant Approval (RFTA) Packet	1 day
2	INLIVIAN RFTA Packet Review	2 days
3	Unit Inspection Scheduled	6-7 days
4	Inspection Completed	
<b>Total</b>		<b>≈ 10 days</b>

- Pass without reinspection for 10 or less non-health and safety issues with self-certification that conditions have been addressed with submission of proof that work was completed
- Decreased initial inspections timeframe from 12-day avg to 6-day avg
- Continuity bonus between voucher lease-ups—up to 14 days in rent (assumes Housing Provider leases to another voucher holder)



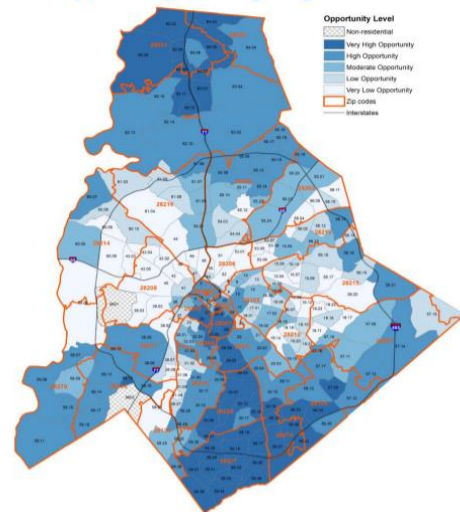
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## Payment Standards

HUD requires that PHAs establish the maximum Housing Assistance Payment (HAP) by bedroom size based on the Fair Market Rent (FMR) for the whole FMR area or designated areas (zip code or census tract).

- **Basic Payment Standard:** HUD requires payment standards to be set between 90%-110% of the area FMR.
- **Exception Payment Standard:** PHA's may implement payment standards above 110% FMR with HUD approval.
  - INLIVIAN has implemented an exception payment standard policy that increases subsidy up to 120%-150% FMR for specific census tracts and opportunity areas.

Opportunity Housing Neighborhoods



\*Last Updated on 1/10/2021



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## Rental Eligibility Criteria

- **INLIVIAN is not suggesting that Housing Providers modify their basic rental eligibility criteria. Just allow those that qualify to rent.**
- INLIVIAN eligibility criteria
  - Income eligible
  - Criminal background
  - In addition, all families must complete a Good Neighbor Training (briefing) before receiving a voucher
- Basic private rental market criteria when determining whether to rent a unit to an individual/family.
  - Ability to pay rent (income)
  - Credit history
  - Criminal background
  - Security deposits
- Verification of a voucher holder's ability to pay rent is the approved voucher rent.



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## Search Time

- The period of time that a voucher holder has to submit a request for tenancy approval (RFTA), unless the PHA grants an extension.
- INLIVIAN provides families with 120 days to search for a unit.
- A family may request a 60-day extension with the submittal of a housing search log.
- Total possible search time, with extensions = 180 days
- Additional search time, beyond 180 days, may be granted to families with an approved reasonable accommodation in order to make the program accessible to a person with disabilities.



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## Waiting List

- An ordered list of households who have applied for housing assistance.
- Waiting lists are used when affordable housing demand exceeds the supply of available assistance.
- INLIVIAN's Housing Choice Voucher (HCV) tenant-based waiting list is currently closed.
  - There are currently about 5,600 applications on the INLIVIAN HCV waiting list.
  - INLIVIAN opens its waiting list periodically based on an assessment of the projected number of available vouchers over the next 12 months and the number of families on the list.
  - INLIVIAN's HCV waiting list is ordered by date and time of application.
  - Last opened September 2014.



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