

Memorandum

TO: Interested Parties

FROM: Kathleen Berk, Director of Housing Program Administration

RE: Amendments to Section 8 Administrative Plan

DATE: June 3, 2016

Recommended Action: Provide comments on the *proposed* Annual Plan for Fiscal Year 2017, which begins October 1, 2016 and provide comments on the proposed Section 8 Administrative Plan amendments described below, proposed to go into effect October 1, 2016.

Background: It is our practice to make any necessary Administrative Plan amendments in conjunction with the Agency's 5 Year / Annual Planning process. In July, the Board of Commissioners will host a public hearing to receive comments on the proposed Annual Plan for Fiscal Year 2017 and comments on proposed amendments to the Section 8 Administrative Plan. Once the public hearing portion of the meeting is closed, the Board will take action on both documents during the regular meeting.

The amendments to the Section 8 Administrative Plan recommended below implement provisions of the Violence Against Women Act (VAWA) 2013; PIH 2015-19, Use of Arrest Records in Housing Decisions, and two significant rule changes that were published over the past year: HUD's Portability Rule (published August 20, 2015), "*Public Housing and Section 8 Programs: Housing Choice Voucher Program: Streamlining the Portability Process*," and HUD's Streamlining Rule, published March 8, 2016, "*Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, Community Planning and Development Programs; Final Rule*".

Subject to comments received by the Section 8 Resident Advisory Board, advocacy groups, Vermont Legal Aid, and members of the public, the Vermont State Housing Authority Board of Commissioners will be asked to adopt the following amendments to the Section 8 Administrative Plan at their meeting on July 13, 2016.

Following are the Chapters of the Section 8 Administrative Plan that are subject to amendment, along with a summary of the proposed amendment(s).

Chapter 3, Eligibility: Amended to comply with HUD Notice 2015-19, VAWA 2013

1. Implements policy around use of arrest records – establishes that arrest records will not be used as the basis for denial; however, may trigger an investigation.
2. Implements changes to policy as a result of VAWA 2013 – establishes that we will not deny an applicant admission to the HCV program "*on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance*" and incorporates a standard "notice" that will be incorporated into correspondence relating to denial / termination.

Chapter 5, Briefings and Voucher Issuance: Amended to comply with Portability Rule and VAWA 2013

1. Policy provides necessary updates to the briefing process / handbook – including providing a list of participating landlords to all voucher holders for all jurisdictions, maps of areas of high concentration – and requires families be counseled to lease units outside of areas of high-poverty concentration.
2. Incorporates VAWA notification requirements / certifications in the briefing handbook.

Chapter 7, Verification Procedures: Amended to comply with Streamlining Rule.

1. Sets forth revised verification hierarchy to accept third-party verification (original documents) from family, and established self-certification is acceptable when not available.
2. Establishes that VSHA will accept a family's declaration of total net assets equal to or less than \$5,000 during intervening annual reexams (third party verification will be required initially, upon admitting a family to the program, then again at least every 3 years thereafter).

Chapter 8, Housing Quality Standard Inspections and Rent Reasonableness: Amended to adopt provisions of Streamlining Rule.

1. Establishes that VSHA will inspect units at least every 12 months **except** for units meeting specific criteria will be inspected at least every 24 months (biennially).

Chapter 11, Recertifications: Amended to adopt provisions of Streamlining Rule.

1. Establishes that VSHA will elect streamlined income determinations for family members with fixed source of incomes.

Chapter 12, Termination of Tenancy: Amended to comply with VAWA 2013 and PIH Notice 2015-19.

1. Establishes that we will not terminate assistance to a program participant *“on the basis that the participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the participant otherwise qualifies for assistance”* and incorporates a standard *“notice”* that will be incorporated into correspondence relating to denial / termination.

Chapter 15, Special Housing Types, Section G – Homeownership Program:

1. Eliminates 'seller financing' transactions and establishes that financing for purchase of a home complies with secondary mortgage market underwriting requirements; or complies with generally accepted private sector underwriting standards.
2. VSHA will not establish a higher minimum income standard for disabled and / or non-disabled households. All families will be required to meet the Federal minimum income requirement (equal to Federal minimum wage multiplied by 2000).
3. VSHA will no longer require that elderly / disabled households be prequalified for a mortgage before being allowed to participate in the program.
4. VSHA will no longer limit the number of families allowed to participate, previously set at 5% of the total program size.
5. Requires professional home inspectors hired by the family be a member of the Vermont Association of Professional Home Inspectors (VAPHI).

Chapter 16, Program Administration: Amended to adopt provisions of Streamlining Rule, and VAWA 2013.

1. Exception Payment Standards. Establishes that a family that requires a reasonable accommodation may request a higher payment standard (up to 120% of published FMR) at the time the Request for Tenancy Approval (RFTA) is submitted.
2. Incorporates the use of a Standard VAWA Notice that will be sent to voucher applicants and participants regarding the Violence Against Women Act (VAWA).