

Proposed Administrative Plan Revisions
Program Year October 1, 2017-September 30, 2018

The Millville Housing Authority Resident Advisory Board met on April 11, 2017 at Holly Berry Court. The Board members discussed and provided guidance on the suggested plan revisions.

HOTMA

July 29, 2016, former President Obama, signed the Housing Opportunities through Modernization Act which is referenced as HOTMA. There were statutory provisions that were effective immediately and the housing authority will review the language in the current Plan to assure compliance with HOTMA.

- Reasonable accommodation payment standards - HOTMA allows housing authorities to establish a payment standard of up to 120 percent of the Fair Market Rent without HUD approval as a reasonable accommodation for a person with a disability. The language in the Plan will comply with this provision.
- Establishment of Fair Market Rent(FMR) – This provision changes the timing and method that HUD uses to publish FMRs and the procedure for comment and request for reevaluation. HOTMA further states that as a result of a reduction in the FMR the PHA is no longer required to reduce the payment standard of a family continuing to reside in a unit under Housing Assistance Payment Contract at the time the FMR is reduced. Previously the housing authority was required to reduce the payment standard at the family's second annual recertification after the FMR was reduced.

HUD plans to issue further guidance on the reduction of payment standards for continuously assisted families however the Resident Advisory Board members agreed that the payment standard should not be reduced by more than five percent in a program year. The Resident Advisory Board members supported a graduated decrease in the payment standard should that occur.

Future HOTMA provisions that will impact the Plan but are still pending further guidance from HUD include the following:

- The authorization for housing assistance payments up to 30 days if an initial inspection reveals non-life-threatening defects. HOTMA also authorizes the occupancy of units before inspection by the housing authority if the property has met the requirements of an alternative inspection in the previous 24 months.
- Provisions in HOTMA require life-threatening deficiencies to be corrected within 24 hours and sets the time frame for correcting other deficiencies at 30 days unless the housing authority determines otherwise. This section of HOTMA also provides families with 90 days to relocate to a new unit if an owner fails to correct the faults found in the inspection. Housing Authorities will also have the ability to use up to 2 months of housing assistance payments that are withheld or abated as a result of the failed inspection to assist families with relocation costs. This will require a technical amendment from HUD.
- When fully implemented HOTMA will require that reviews of family income must be conducted upon admission to the program and annually thereafter, depending on a certain decrease or increase in annual adjusted income. This will require changing the definition of income and adjusted income and thus will require rulemaking prior to implementation.
- HOTMA places limitations on eligibility for assistance based on assets. Previously there was no asset test for eligibility. This section of HOTMA further directs that effective October 1, 2017, housing authorities are required to obtain authorization from applicants and program participants to obtain financial information needed to determine eligibility. This will require further rulemaking.
- HOTMA extends the definition of “rent” for the Housing Choice Voucher Program to include monthly payments for purchasing a manufactured home, tenant paid utilities and monthly rent for real property. This revision will require an implementing notice from HUD before it becomes effective.

Small Area Fair Market Rents

November 16, 2016, HUD published a Final Rule on Small Area Fair Market Rents. The full title of the rule is Establishing a More Effective Fair Market Rent System; using Small Area Fair Market Rents (SAFMRS) in the Housing Choice Voucher Program. This year it becomes effective in New Jersey in the following counties: Bergen, Passaic, Monmouth, Ocean, Camden and Salem Counties. As it is not required in Cumberland County, SAFMRS were discussed and the Millville Housing Authority will remain with the current Metropolitan Statistical Area FMRs. SAFMRS are based on zip codes.

General Amendments to the Plan

1. The current Plan is silent regarding the number of attempts housing authority staff will make to conduct an inspection before moving to terminate a voucher holder for failing to adhere to the Family Obligations of allowing access to the unit for inspections. The Resident Advisory Board members agreed that two attempts will be made to gain access to the unit for inspection prior to moving for termination from the program.
2. The Resident Advisory Board members were asked to discuss the number of days that a participant family should have to restore utility service prior to the program moving for termination for a breach of the Family Obligations. The Board members thought the program should move for termination of the family if they failed to restore utility service within ten days.
3. The Board members further discussed how many days a voucher family should have to correct an inspection deficiency, that was family caused, before the program moves for termination. The Board members agreed that the family should receive 30 days to correct a deficiency they caused in the property, just as the landlord receives 30 days to complete repairs.
4. The current Plan uses the term "violent crime" however the term is not clearly defined. The Federal Bureau of Investigation defines violent crime as four offenses: murder and nonnegligent manslaughter, forcible rape, robbery and aggravated assault. Violent crimes are defined as those offenses which involve force or the threat of force. The Plan will include this definition of violent crime.
5. The Board members were informed that the chapter on Project Based Assistance will be retired effective September 30, 2017. As of this date the Millville Housing Authority will no longer administer a project based component of the program.
6. The current Plan describes a process for adding a Live-In Aid for a family who includes a person with disabilities. However, the Plan does not specify that one bedroom will be permitted for the Live-In aid. This language will be included in the new Plan.

Inspections

Since the Rental Assistance Program began as a demonstration program, the program rules required that the rental unit be inspected and pass inspection prior to being placed under Housing Assistance Payment Contract. The inspection is called HUD's Housing Quality Standards inspection. The standards are minimal and as such the Millville Housing Authority adopted a higher level of inspection through the Plan. The higher level of inspection will be retired with this year's new Plan.

HUD is implementing a new inspection protocol for the Housing Choice Voucher Program. The new inspection is called the Uniform Physical Condition Standards for the Voucher Program (UPCS-V).

- The core concepts of the voucher program will be retained, while giving tenants and owners more detailed information about their home.
- UPCS-V will address the shortcomings of the old HQS inspection.
- The inspection will offer consistency – it will be fully electronic, offering decision trees for each aspect of the inspection and provide a quantitative method to describe the quality of the unit.
- Inspectors will have a clear understanding of pass/fail items.
- Inspections will have improved accuracy with consistent results.

The Millville Housing Authority is waiting for HUD to contact the staff with an implementation date.