San Diego Housing Commission (SDHC)
Fiscal Year (FY) 2025 Section 8 Housing Choice Voucher (HCV) Administrative Plan

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SDHC – FY 2025 Section 8 HCV Administrative Plan
Overview – Fiscal Year 2023

- Federal Housing Choice Voucher (HCV) rental assistance is SDHC's largest program.

- Voucher Baseline: 16,659

- Rental Assistance payments disbursed: $253.1 Million

- Participating Landlords: 5,069

- Elderly/Disabled Households: 64%

- Work-Able Households: 36%

- Average Annual Income (All Households): $21,709

- Average Annual Income (Work-Able Households): $34,642

- 83% of Households are Extremely Low Income (Up to 30% AMI)

Gwendolyn, HCV Participant

<u>Housing Opportunity Through Modernization Act (HOTMA)</u>

- Enacted in 2016.

- U.S. Department of Housing and Urban Development's (HUD) Final Rule published in 2023.

- Intended to streamline processes and reduce administrative burden on housing providers.

- Sections 102 and 104 affect Public Housing and the Section 8 HCV Rental Assistance programs.

- Includes changes to income reviews, asset limitations, hardship policies, and allowances/deductions.

- Public housing authority (PHA) Administrative Plans must be updated to reflect HOTMA changes.

- Public Comment and SDHC Board of Commissioners' approval are required.

Policy Applicability:

Moving to Work (MTW), Veterans Affairs Supportive Housing (VASH), Emergency Housing Vouchers (EHV), and Traditional HCV Program

1. Revised Asset Limits for Program Eligibility

2. Policy on Safe Harbor for Income Determinations

3. Consent Form Policy

4. Income Calculation Errors

5. Ability to Accept Alternative Social Security Number Verification

6. Long-term Care Premium Expense Addition

Revised Asset Limits for Program Eligibility

- At initial eligibility, families with assets exceeding $100,000 and/or with a present ownership in, or with a legal right to reside in or sell, real property that is suitable for residence, are not eligible for any voucher programs.

Policy on Safe Harbor for Income Determinations

- Under HOTMA, HUD requires PHAs to clarify in the Administrative Plan whether they will accept income determinations from other HUD-identified programs.

- Once a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD, the policy will be revisited for implementation.

- HUD currently requires all adult family members to sign and submit consent form HUD-9886 at each reexamination.
  - Contains provisions authorizing HUD and PHA to obtain necessary information to verify and maintain verification of family eligibility.
  - Families who refuse must be denied or terminated.

- New HOTMA policy:
  - Allows form HUD-9886 to be signed once by each adult and maintained in the file, rather than signing at each reexamination.
  - Families who refuse to sign or revoke existing consent forms must be denied rental assistance or terminated from the public housing program.

Income Calculation Errors

- New mandatory clarification defining how SDHC would notify, correct, and/or reimburse/credit family if an error in rent calculation is discovered.

Social Security Number Verification

- Ability to verify Social Security number using self-certification and a third-party document if applicant is unable to obtain Social Security card.

Long-Term Care Premium Expense Addition

- Long-term care insurance premiums have been added as an allowable health and medical care expense.

SDHC – FY 2025 Section 8 HCV Administrative Plan
Traditional HCV, VASH, EHV Program Applicability Only

Policy Applicability:

- VASH, EHV, Traditional HCV Program
    1. Health and Medical Care Expense Hardship Changes
    2. General Relief Hardship

- Traditional HCV Program Only (No SDHC vouchers at this time)
    1. Revised Asset Requirements
    2. Interim Reporting and Effective Date Changes

Revised Allowable Health and Medical Expenses – EHV, VASH, Traditional HCV Program

- Under mandatory HUD HOTMA rules, a family will qualify for a medical expense deduction if the expense exceeds 10% of annual income, rather than the current 3% threshold.

- HOTMA will allow for hardship exceptions under certain circumstances.

- Hardship will consist of a 24 month-phased in approach.

General Relief Hardship – EHV, VASH, Traditional HCV Program

- Under mandatory HUD HOTMA rules, a family may qualify for a General Relief Hardship.

- If eligible, family would receive a deduction for eligible health and medical care expenses exceeding 5% of annual income for 90 days.

Traditional HCV Program only (No SDHC vouchers as this time)

Revised Asset Requirements
- Under new HUD HOTMA rules, total family assets or $50,000 or less will be considered nominal and will be verified by self-certification.
- Family assets exceeding $50,000 will require third-party verification.

Revised Interim Requirements
- Under mandatory HUD HOTMA rules, families are required to report an income increase of more than 10% of annual adjusted income.
- A family's income increase by more than 10% will require the completion of an increased income interim certification—except under certain circumstances.

Questions & Comments