



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC)
Fiscal Year (FY) 2025 Section 8 Housing Choice Voucher (HCV)
Administrative Plan
Public Hearing
January 25, 2024

Jennifer Kelly
Director of Housing Choice Voucher Compliance and
Quality Assurance
Rental Assistance Division



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



SDHC – FY 2025 Section 8 HCV Administrative Plan Proposed Changes

Housing Opportunity Through Modernization Act (HOTMA)

- 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.



SDHC – FY 2025 Section 8 HCV Administrative Plan Proposed Changes (Continued)

“Moving to Work” (MTW) and Traditional Section 8 HCV Program Applicability

1. Childcare Expense Hardship
2. Revised Asset Limits for Program Eligibility
3. Policy on Safe Harbor for Income Determinations
4. Consent Form Policy
5. Income Calculation Errors
6. Long-term Care Premium Expense Addition



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Childcare Expense Hardship

- New mandated policy creates a hardship exemption for families whose eligibility for the childcare expense deduction is ending, but the deduction is necessary because the family is unable to pay their rent.
 - Family must demonstrate why is it still necessary.
 - Provided for 90 days, extensions on case-by-case basis.
 - Report to SDHC within 30 days if circumstances that made the family eligible for the exemption change.



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Asset Limits and Safe Harbor

Revised Asset Limits for Program 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

- SDHC will not accept Safe Harbor income determinations due to administrative burden.
- 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.



SDHC – FY 2025 Section 8 HCV Administrative Plan Consent Form Policy

- 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 to be signed once by each adult and maintained in the file, rather than signing at each reexamination.
- Also allows denial or termination for families who revoke previously signed consent form.



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Income Calculation Errors and Long-term Care Premium Expense Addition

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.

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 Program Applicability Only

1. Revised Asset Requirements
2. Revised Allowances and Deductions under the Traditional HCV Program
 1. Dependent Allowance
 2. Elderly/Disabled Allowance
3. Health and Medical Care Expense Deduction and Hardship Changes
4. General Relief Hardship
5. Interim Reporting and Effective Date Changes



SDHC – FY 2025 Section 8 HCV Administrative Plan

Revised Asset Requirements, Allowances and Deductions

Revised Asset Requirements – Traditional HCV Program

- Under new HUD HOTMA rules, total family assets \$50,000 and below will be considered nominal and will not require third-party verification.
- Family assets exceeding \$50,000 will require third-party verification.

Revised Allowances and Deductions – Traditional HCV Program

- Under mandatory HOTMA requirements, the Elderly/Disabled allowance is raised to \$525 per household for families whose head of household, spouse or co-head of household is 62 years of age or older or disabled.
- The Dependent allowance remains at \$480 per dependent.
- HUD may now adjust both types of allowances annually according to the Consumer Price Index.



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Revised Allowable Medical Expenses and General Relief Hardship

Revised Allowable Medical Expenses – 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 – 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.



SDHC – FY 2025 Section 8 HCV Administrative Plan

Interim Certifications for Increases of Income under the Traditional HCV Program

- 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.



Public Comment:

Must be received by March 1, 2024

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Or

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