San Diego Housing Commission (SDHC)
Admissions and Continued Occupancy Policy Update

Presentation to the SDHC Board of Commissioners

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SDHC Admissions and Continued Occupancy Policy (ACOP)
Introduction

- SDHC administers the federal public housing program for 189 units in the City of San Diego.

- The U.S. Department of Housing and Urban Development (HUD) requires all public housing authorities (PHA) to adopt a written administrative plan that establishes local policies for program administration.
    - This plan is known as the Admissions and Continued Occupancy Policy (ACOP).

- Policies are updated periodically and incorporate:
    - Moving to Work (MTW) initiatives adopted by the agency for other programs
    - Legally required updates
    - Verbiage clarifications

- HUD requires the proposed policy update under the Housing Opportunities Through Modernization Act (HOTMA).

- A public hearing was required.
    - March 4, 2024

SDHC Admissions and Continued Occupancy Policy (ACOP)
HOTMA Overview

- Enacted in 2016.

- HUD's Final Rule was 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 Housing Choice Voucher Rental Assistance programs.

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

SDHC Admissions and Continued Occupancy Policy (ACOP)
Proposed Changes

1. Revocation of Consent Forms

2. Long-Term Care Premium Expense Addition

3. Safe Harbor for Income Determinations

4. Net Asset Limit of $100K for Program Eligibility

5. Clarification of Policy Regarding Income Calculation Errors

Traditional PHA Programs

- The following HOTMA-related policies affecting only Traditional PHA programs must be added to the Fiscal Year (FY) 2025 ACOP.
  – SDHC does not currently administer any Traditional PHA programs.
  – HUD requires these policies to be added to the ACOP.

6. Health and Medical Care Expenses and Hardship

7. General Relief Hardship

8. Nominal Asset Threshold Increased from $5,000 to $50,000

9. Interim Reporting and Effective Date Timeframes

- 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.

Long-term Care Premium Expense Addition

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

Safe Harbor for Income Determinations

- Under HOTMA, HUD requires PHAs to clarify in the ACOP whether they will accept income determinations from other HUD-defined 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.

SDHC Admissions and Continued Occupancy Policy
Revised Asset Limits and Policy Regarding Income Calculation Errors

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.

Clarification of Policy Regarding Income Calculation Errors

- Once SDHC becomes aware of the existence of an income calculation error, the error will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error.

- Families will not be required to repay SDHC in instances where SDHC miscalculated income resulting in a family being undercharged for rent.

Health and Medical Care Expenses and Hardship

- Under mandatory HOTMA policy, families will qualify for a health and medical expense deduction if their expenses exceed 10% of annual income, rather than the current 3% threshold.

- HOTMA allows for hardships under certain circumstances, which will consist of a 24-month phased in approach.

General Relief Hardship

- General Relief relates to deductions for health and medical care expenses, reasonable attendant care and auxiliary apparatus expenses.

- To receive general relief, a family must demonstrate that the family's unreimbursed health and medical care expenses or unreimbursed reasonable attendant care and auxiliary apparatus expenses increased.

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

Nominal Asset Threshold Increased from $5,000 to $50,000

- The assets of participating families will not be considered in the rent portion calculation if they are below $50,000.

- The previous threshold was $5,000.

Interim Reporting and Effective Date Timeframes

- Per new HOTMA rules, participants in traditional Housing Choice Voucher programs must report increases in income that are estimated to raise the annual adjusted income by 10 percent or more.

Questions & Comments