



HOUSING CHOICE VOUCHER [HCV] PROGRAM
Summary of Proposed Changes to the 2024-2025 HCV Administrative Plan
November 1, 2024

1. Chapter 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST

[24 CFR Part 5, Subpart D; 982.54(d)(1), 982.204, 982.205, 982.206]

Language in sections H. Special Programs changed as follows:

CMHA will maintain a separate wait list for its Moderate Rehab, NED2, Mainstream each Project Based Voucher Projects, **PBV Choice Mobility**, and RAD Choice Mobility programs. Referrals will be received for these programs in accordance with program regulations. Applicants will be ranked according to date and time of referral, unless a preference is indicated above.

- **Choice Mobility Wait List: If the Voucher Inventory Turnover or Project Turnover Cap is reached, CMHA will create and maintain a waiting list in the order in which the requests from eligible households were received. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.**
- **PBV to Voucher Wait List: Requests will be maintained according to date and time of voucher request from eligible households. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.**
- **RAD to Tenant Based Assistance: Residents under the RAD PBRA provisions electing to move with a tenant-based voucher, within the later of:
(a) 24 months from date of execution of the HAP or (b) 24 months after the move-in date. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.**

2. Chapter 5

Language regarding the initial application process was updated to state the following to update CMHA's HCV Wait List Administration.

A. "INITIAL" APPLICATION PROCEDURES [24 CFR 982.204(b)]

- **CMHA will utilize a pre-application. The information is to be completed by the applicant whenever possible. To provide specific accommodation for persons with disabilities, the information may be completed by an agency, family member or other person provided permission to do so on behalf the applicant.**

B. PULLING FROM THE WAIT LIST [24 CFR 982.204]

When there is insufficient funding available for the family at the top of the list, CMHA will not admit any other applicant until funding is available for the first applicant. **CMHA also reserves the right to place a family that may have been pulled back onto the wait list due to a shortfall in**

program funding. Applicants will be placed back on the list with their original date and time of the pre-application and claimed preference(s).

3. Chapter 10 Request for Tenancy Approval

Language added to clarify the cancellation of a RTA.

CMHA will inform the owner of the “affordable” rent amount. If the owner does not agree to this amount, the RTA will be canceled and the tolling time restored to the voucher.

CMHA may also cancel a RTA due to budgetary constraints or funding deficits that may arise.

A. CONTRACT EXECUTION PROCESS [24 CFR982.305(c)]

- The owner or designated agent must execute the documents no later than 60 calendar days from the beginning of the lease term and provided to CMHA or the contract will be voided in accordance with HCV program rules. If the documents submitted are unacceptable, communication will be sent to the owner or designated agent with a specific reason for rejection.

Language added detailing methods of verification for unit status.

Verification methods.

When CMHA must verify correction of a deficiency, it may use verification methods other than another on-site inspection. CMHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected but will complete an on-site inspection of the deficiency correction. If the deficiency is due to a building code violation that equates to a HQS deficiency, an on-site inspection may not be needed if the posting agency has cleared the orders for the deficiency.

Language added to clarify timeframe for weather extensions for some outside repairs.

Weather related extensions are usually provided during November 15 – March 31st on exterior deficiencies that are not “life threatening or emergency related” where the repair cannot be made due the cooler weather. These items may include exterior paint, concrete repairs, roofing related work that does not impose an imminent threat to the safety of the family. CMHA will notify the owner of the “weather related” extension. The repairs for these items must be completed by May 15th following the inspection date. CMHA will schedule a “special” inspection to verify the repairs of these items. Since the work is exterior and CMHA will not need to access the interior, the work will be verified by an inspector without additional notice to the parties. No additional extensions will be granted for weather related repairs.

Language added to identify Emergency Fail Items.

A. EMERGENCY REPAIR ITEMS [24 CFR982.404(a)]

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the inspector:

- Sewage backup or leaks.
- Utilities are not on (i.e. electric, gas, and/or water).
- Smoke detector missing from unit or bedroom or not on each level, damaged, not properly mounted, wrong type, and/or not functioning properly.
- Carbon Monoxide detector missing, damaged, not working, and/or not properly mounted for units with connected garages and/or gas utilities.
- Electrical outlets and light switch covers that are missing, cracked.

- GFCI outlets that are missing, do not function properly (open grounds on GFCI are acceptable). Must be placed on all outlets within 6 feet of a water source.
- Circuit breaker boxes with open slot or open knock-out hole or foreign material used for repair.
- Junction boxes missing cover or open knock-outs.
- Gas stoves that do not light from the pilot.
- Improper flue connection for furnace or waterheater.
- No heat when outside temperature is below 40° or the heat source cannot maintain temperature of a minimum of 68°.
- Flooding
- Smell of gas.
- Fire damage leaving the unit uninhabitable.
- Any condition that jeopardizes the security of the unit.
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling.
- Toilet not working properly or missing, if only one in the unit.
- Flammable items near heat source.
- Extensive infestation.
- Nonmetal dryer vents
- Gas shut off valves missing/damaged.
- Unvented fuel burning heat source.
- Missing or inoperable entry door.
- Blocked egress- as determined by HQS/NSPIRE V.

Language added to clarify the process for abatement of HAP and the submission of documentation by the owner.

CMHA will cancel an abatement placed on a unit if the reinspection is delayed due to scheduling as long as the unit passes on the date of the next scheduled reinspection **and** the owner can successfully provide date stamped documentation to show that the repairs were made timely. This documentation must be provided to CMHA within 7 (seven) days of the date the owner is claiming the repairs were made **and** the unit must pass the reinspection or no retro payments will be made to the owner as of the date the repairs were made regardless of the documentation submitted by the owner. CMHA has the right to verify documentation submitted by the owner/agent. CMHA will follow its policy as stated below.

The abatement will end the day before the unit passed the reinspection, if no reinspection was requested prior to that date. Documentation will be rejected in the case where CMHA can easily determine that the deficiencies were not corrected by the date in question. No retroactive payments will be made to the owner for the period of time the HAP was abated and the unit did not comply with HQS/NSPIRE and the owner cannot prove that the repairs were made prior to the due date. CMHA cannot accept “verbal” documentation from the family or owner to support timely completion of repairs. **CMHA has the sole discretion of determining acceptable documentation and may use items such work orders, invoices/receipts for work, and date stamped photos.**

Language added to detail when a voucher will be issued to a family when the unit is out of compliance with HQS/NSPIRE V Standards.

Voucher Issuance

CMHA will issue a voucher to a family in a unit that has been abated for HQS/SPIRE V violations under the conditions below:

- The family is not responsible for any of the deficiencies that caused the unit to fail.
- The family has corrected all family responsible deficiencies and the owner has not failed to make repairs.
- The owner has informed CMHA that they are not going to make the repairs and wishes to terminate the HAP.

CMHA will issue a voucher for a term of 90 days. If the family is still in the abated unit and cannot find a new unit within the term of the voucher, the family can relinquish their voucher and request to move to a unit under CMHA's Asset Management/LIPH program with a preference for housing.

CMHA does not offer relocation or search assistance in the search for a new unit but will offer external resources that may be used to assist upon request from the family.

4. Chapter 12

Rent to Owner

Language added to clarify redetermining rent based on change in amenities.

During the initial term of the lease, the owner may not raise the rent. If a unit fails an inspection, the item can be removed, repaired or replaced to bring the unit in compliance. If the amenity was used in determining rent reasonable, the assessment will be re-evaluated if the item is removed and the owner notified accordingly of any adjustment to the new contract rent amount.

Payment Standards for the Voucher Program

Language added for compliance with the HUD mandate of switching to SAFMRs and payment standard adjustments.

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at CMHA's discretion, the Voucher Payment Standard amount is set by CMHA between 90 percent and 120 percent of the HUD published FMRs. Effective January 1, 2025, HUD has mandated the use of Small Area Fair Market Rents (SAFMRs) for the state of OHIO, as such these standards will be adopted at such time. SAFMRs are published by zip codes in a PHAs jurisdiction. The goal of the use of SAFMRs is to deconcentrate poverty and to make housing affordable for families in areas with low concentrations of poverty and higher opportunities.

Lowering of the Payment Standard

CMHA's Payment Standards may be lowered:

- To maintain the payment standards within the established ranges of HUD's published FMRs/SAFMRs;
- To more accurately reflect current area market rents;
- In response to budget shortfalls, or
- To achieve maximum participant utilization based on HUD's newest budget based program funding formula.

In any case, the Payment Standard will not be set below 90 percent of the SAFMRs without authorization from HUD. If there is a decrease in a payment standard as a result in published SAFMRs, CMHA will Hold Harmless the applicable decrease and continue to use the higher payment standard used to calculate subsidy as long as the family continues to receive voucher assistance in the current unit and the payment standard does not exceed 110 percent of published SAFMRs. The decreased payment standard will be applied for subsidy calculation when the family moves to a new unit.

The lowered payment standards will be applied as of the effective date for all new admissions, port ins and other change of units (transfer) clients.

Payment Standard Increase

If the payment standard amount is increased during the term of the HAP Contract, the PHA must use the increase payment standard amount to calculate the housing assistance payment for the family beginning no later than the earliest of:

- The effective date of an increase in the gross rent that would result in an increase in the family.
- The family's first regular or interim reexamination; or
- *One year following the effective date of the increase in the payment standard amount.*

5. Chapter 17 Owner Approval and Restriction

Language added under owner requirements for update W9 annually.

- Owners/HAP Payees are required to submit complete and accurate W9 information annually for each entity receiving HAP assistance from the HCV Program.

6. Chapter 18 Owner Debts to CMHA

Language added regarding IRS Backup Withholding Requirements.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding. You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for
3. Part II for details),
4. The IRS tells the requester that you furnished an incorrect TIN,
5. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
6. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only). Certain payees and payments are exempt from backup withholding. See Exempt payee code, later, and the separate

Instructions for the Requester of Form W-9 for more information.

Owners/HAP Payees need to correct the reason why they became subject to backup withholding. This can include providing the correct TIN to the CMHA, resolving the underreported income, and paying the amount owed, or filing the missing tax return(s). You will have 120 days to correct the errors.

There are civil and criminal penalties for giving false information to avoid backup withholding. The civil penalty is \$500. The criminal penalty, upon conviction, is a fine of up to \$1,000 or imprisonment of up to one year, or both.

7. Chapter 20 Special Housing Types

Chapter added to distinguish the various special housing programs as defined below:

Special housing types include single room occupancy (SRO), MOD Rehab, congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601]. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to all special housing types.

8. Chapter 21 Project Based Vouchers

Chapter added to breakout the rules for PBVs from other special housing Programs along with new HOTMA mandatory changes.

CMHA will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

9. Chapter 22 The Rental Assistance Demonstration Program (RAD)

Chapter added to define and to breakout the rules for RAD from other special housing Programs along with any new HOTMA mandatory changes.

OVERVIEW AND HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to:

- Preserve and improve public and other assisted housing.
- Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. In other words, RAD aligns eligible properties more closely with other affordable housing programs.
- Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.

- Increase tenant mobility opportunities.

With respect to public housing, the focus of RAD is housing preservation, as stated above, and, specifically, moving public housing projects to the PBV or PBRA platform in order more readily to leverage capital investment in the projects while minimizing any effects on residents in place at the time of the conversion. Many of the differences between the traditional PBV program and the RAD PBV program grow out of RAD's focus on preservation. For example:

- As part of the RAD application process, HUD considers a project's capital needs and whether project rents will be sufficient to address immediate capital needs, sustain operations over time, and fund a reserve for replacement⁶ adequate to address long-term capital needs. Following conversion, owners of RAD PBV–assisted projects are required to make regular deposits to the reserve for replacement. There are no such HUD requirements in the traditional PBV program.
- RAD PBV contracts must be renewed unless otherwise directed or approved by HUD; for example, in the case of a transfer of assistance following conversion.
- Under the traditional PBV program, a contract may be terminated or simply not extended upon expiration.
- An owner may remove a unit from a RAD PBV HAP contract following conversion only with prior HUD approval. In the traditional PBV program, HUD approval to remove a unit is not required to remove a unit from an contract.

This chapter will focus on public housing conversions to the PBV program under RAD. In order to distinguish between requirements for public housing conversion under RAD to RAD PBV units under the standard PBV program, we will refer to the standard PBV program and the RAD PBV program. The standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them due to the conversion from public housing.