



Berkeley Housing Authority

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Office of the Executive Director

Item 6C

NEW BUSINESS

September 11, 2014

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From: Tia M. Ingram, Executive Director 

Subject: Approve a resolution revising the Section 8 Administrative Plan

RECOMMENDATION

Approve a resolution revising Chapter 3 and the Glossary (Definition of Extremely Low Income); and Chapter 6 Applying Utility Allowances

BACKGROUND

Berkeley Housing Authority's (BHA) Administrative Plan sets forth administrative policies adopted by the governing body, with regard to the administration of the Section 8 Voucher programs. All of the discretionary policies must be, and are, in a manner consistent with HUD requirements.

On June 25, 2014, HUD issued a notice - *Cost-Savings Implementation Guidance* - that addresses four issues: definition of extremely low income; definition of a public housing authority to include a consortium of such entities; biennial versus annual housing inspections; and caps on utility allowances.

This staff report addresses two issues, found in BHA's Administrative Plan:

Chapter 3: Eligibility & Glossary

The definition of "Extremely Low Income" has been revised to reflect the current definition. See *Attachment 2* Chapter 3, and *Attachment 3* Glossary. Should this term exist elsewhere in the document, it is likewise changed accordingly. This change does not have any significant impact on our operations and is meant by HUD to afford low wage workers an opportunity to more fully participate in the Section 8 Program.

Chapter 6: Income & Subsidy Determinations

Prior to the change, a family was entitled to a utility allowance (for tenant paid utilities) based on the size of the unit rented (number of bedrooms) – without regard to the size unit required to adequately house the family. For example: assume a \$74 utility allowance for a 2-bedroom unit, and a \$124 utility allowance for a 3-bedroom unit. Under the old rules, if the

family opted to rent a larger unit than required under BHA's subsidy standards, the family would receive a larger utility allowance, and thus pay less rent (BHA would pay a larger share of the rent). Under the current rules, the family can still lease a larger unit than required, but there would be a cap on the utility allowance - the *lesser* utility allowance based on voucher size or the size of unit occupied. Over time this will serve to reduce BHA monthly HAP expense, and make families more fiscally responsible for their choices.

Voucher Size	Unit Size	30% income	UA	30% (Minus) UA	Tenant Rent to Owner
2	2	\$300	\$74 (2-bdrm)	\$300-\$74	\$226
2	3	\$300	\$124 (3-bdrms)	\$300-\$124	\$176
Family received an additional \$50 addtl subsidy each month					

This change, if adopted this evening, would apply immediately to new assisted tenancies, and at the next annual recertification for existing tenancies beginning December 1, 2014 (Attachment 4).

Other

Staff needs additional time to determine how to implement the relief gained, if any, by revising the Admin. Plan to replace the annual, with a biannual inspection schedule for some, all or none of the assisted units. We will return to the Commission with a recommendation on this and other issues by the end of the year.

FINANCIAL IMPACTS OF RECOMMENDATION

The proposed changes can be made to the Administrative Plan without a new 45-day public comment period. This will result in a reduction in HAP; the exact dollar value of the change cannot be determined until each of the existing households is recertified.

CONTACT PERSON

Tia Ingram, Executive Director, 981-5471.

Attachments:

1. Resolution
2. Excerpt Chapter 3
3. Excerpt Glossary
4. Excerpt Chapter 6

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 14-_____

REVISING THE BHA ADMINISTRATIVE PLAN, CHAPTER 3, CHAPTER 6, and
GLOSSARY

WHEREAS, on June 25, 2014, the U.S. Department of Housing and Urban Development (HUD) issued a notice providing guidance on various cost savings measures; and

WHEREAS, the notice provides relief to public housing authorities in two areas of particular interest to Berkeley Housing Authority (BHA); and

WHEREAS, BHA is prepared to immediately implement the new definition of Extremely Low Income households, and can do so without any adverse impact on clients served; and

WHEREAS, BHA currently provides a monthly utility reimbursement payment to approximately fifty households, some of which may be occupying a unit with more bedrooms than required for the family; and

WHEREAS, it is good public policy to implement a cap on the utility allowance consistent with the level of subsidy the family is eligible to receive, and responsible use of limited rental subsidy funding; and

WHEREAS, families with a person with disabilities may request, as a reasonable accommodation a higher utility allowance in order to make the program accessible to the family member; and

WHEREAS, no public comment period or public hearing is required to adopt these Administrative Plan changes.

NOW THEREFORE, BE IT RESOLVED, that the Housing Authority Board approves revisions to Chapter 3 and the Glossary – expanding the definition of Extremely Low Income, and Chapter 6, establishing caps effective immediately for vouchers issued on or after September 11, 2014, and for current program participants, effective upon move or at the next annual recertification effective on or after December 1, 2014.

Ayes:

Noes:

Abstain:

Absent:

Attest: _____

Tia M. Ingram, Secretary

BHA will not allow the reclassification of the LIA to status as a household member except as noted above.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, BHA will notify the family of its decision in writing.

PART TIME AIDE

BHA recognizes that there are senior and/or disabled clients who require assistance with daily living activities, on a less-than- full time basis. If the disabled or elderly person only requires assistance on a part-time or “as-needed” basis or utilizes more than one person working shifts to cover a 24-hour period to perform the daily living activities, it is “not generally reasonable” to increase the subsidy on a full-time basis, and the BHA will recommend other cost effective measures that can be taken to accommodate the needs of the part-time caregivers, including using the living room as a living/sleeping room for the short-term stays or sleeping arrangement for the workers.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD’s assisted housing programs, including the housing choice voucher program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

Types of Low-Income Families [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the higher of the Federal poverty level or 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD’s published income limits. To be income-eligible, a family must be one of the following:

Economic Self-Sufficiency Program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).

Elderly family. A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person. An individual who is at least 62 years of age.

Eligible Family (Family). A family that is income eligible and meets the other requirements of the Act and Part 5 of 24 CFR.

Employer Identification Number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted to evidence citizenship or eligible immigration status. (See §5.508(b).)

Extremely Low Income Family. A family whose annual income does not exceed the higher of the Federal poverty level or 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (CFR 5.603)

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status and can be further defined in PHA policy.

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
- (2) A group of persons residing together, and such group includes, but is not limited to:
 - (a) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (b) An elderly family;
 - (c) A near-elderly family;
 - (d) A disabled family;

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A BHA-established utility allowance schedule is used in determining family share and BHA subsidy. BHA must use the appropriate utility allowance for the lower of the size of dwelling unit actually leased by a family rather than or the voucher unit size for which the family qualifies using BHA subsidy standards. See Chapter 5 for information on BHA's subsidy standards.

This provision applies at initial lease-up for vouchers issued on or after September 11, 2014. This provision applies to current program participants immediately upon a move, or the next annual recertification, following minimum 60-day notice of the policy change.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require BHA to approve a utility allowance amount higher than shown on BHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, BHA will approve an allowance for air-conditioning, even if BHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide BHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Utility Allowance Revisions

At reexamination, BHA must use the BHA current utility allowance schedule [24 CFR 982.517(d)(2)].

BHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

Depending on the need of the disabled person, BHA will authorize an additional 20% for "heating", and/or an additional 20% for "other electric", as a reasonable accommodation of a person with a disability provided the family supplies documentation that PG&E has approved them for a "medical baseline discount for service"

6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. BHA must prorate the assistance provided to a mixed family. BHA will first determine