

Chapter 19

ENHANCED VOUCHER

INTRODUCTION

The Salem Housing Authority has been selected by the Department of Housing and Urban Development (HUD) to administer “enhanced” Section 8 vouchers (hereafter, “enhanced vouchers”). Specifically, certain families residing in subsidized housing in Salem for which the owner pre-paid or voluntarily terminated a certain mortgage were identified by HUD for screening to be performed by the Salem Housing Authority to determine if a preservation voucher should be provided to the family.

Generally, the Preservation Voucher are offered so that families may remain at the Project with Section 8 Assistance even after the prepayment/voluntary termination has occurred and rents have been increased to market level.

These enhanced vouchers have certain rules, which are specific to this particular program, such as the family’s minimum contribution towards rent and a special voucher payment standard for families who choose to stay in their original dwelling unit.

PART I: PROJECT COVERED BY THIS PROGRAM

19-11.A OVERVIEW

“Enhanced Vouchers” are provided only to eligible residents of projects covered by certain Acts. It is HUD’s Office of Housing who identified the specific projects who are eligible for assistance by applying a number of criteria.

Once HUD determines that the project is eligible, it is the local Housing Authority, in this case, the Salem Housing Authority, who is responsible to determine the eligibility of each family residing in the HUD identifies property.

PART II: FAMILY ELIGIBILITY FOR ENHANCED VOUCHERS

The Salem Housing Authority ensures that a family from the HUD identified project is eligible by reviewing the following factors:

19-II.A. INCOME ELIGIBILITY

To ensure income eligible on the date of the mortgage pre-payment, the residents must either be:

- (a) A low-income family (80% or less of median), this includes very and extremely low-income family: or
- (b) A moderate income family (81% to 95% median), who is
 - a. Elderly or
 - b. Disabled
- (c) A moderate-income family residing in a low vacancy area (3% or less vacancy rate). HUD informs the Salem Housing Authority as to whether the area is considered a low-vacancy area on the date of conversion.

19-II.B. OTHER FACTORS SPECIFIC TO THE FEDERAL SECTION 8 PROGRAM

Eligibility Screening

In addition to income eligibility, the Salem Housing Authority will also engage in normal Section 8 program eligibility screening performed on other new applicants. Such screening includes, but is not limited to a determination that the family has not engaged in violent or drug related criminals activity and includes an application of the HUD rule, "Restrictions on Assistance to Non-Citizens." This section is added to make the family and advocates aware that additional screening criteria may apply and shall not serve to limit the Housing Authority's screening authority.

Except for the special conditions outlined in this Administrative Plan and any applicable HUD Notices, the normal program requirements apply. For example, in addition to income verification, the Housing Authority must conduct initial and annual HQS inspections. Under no circumstances will the SHA make housing assistance payments for any period prior to the date the SHA inspects and determines that the unit passes inspection.

Rent Reasonableness

The Salem Housing Authority will establish a reasonableness rent for the unit in the manner generally used under the voucher program. Specifically, units similar in type, location, amenities, size and age, among the factors will be compared to the preservation unit in question in order to establish a reasonable rent.

Portability

The Enhanced voucher is tenant based assistance and the family is under no obligation to remain in the project. The family has the same portability rights as any other family assisted under the tenant based voucher program.

Turnover

If a preservation voucher turns over anytime after initial issuance (i.e. a preservation assisted family leaves the program), the funding is subject to normal program rules.

Availability To All Residents

Both unassisted and assisted residents are eligible for voucher assistance made available for residents in units where prepayments/voluntary terminations occurred.

Special Conditions for Family Assisted Under The Section 8 Tenants Based Program

A family assisted under a tenant based contract on the date of prepayment may be covered under the special rules for Preservation Assistance, or the family may not, depending on certain conditions:

19-II.C. FAMILIES COVERED BY SPECIAL PRESERVATION RULES

When all of the following criteria apply, the family will convert to a “Preservation Voucher” assisted family.

- (a) Family meets income eligibility criteria described elsewhere in this notice;

- (b) termination of existing certificate lease or a sixty (60) day rent increase under the voucher program;
- (c) new lease, if applicable;
- (d) proposed new rent is reasonable;¹
- (e) the family will stay in the original unit.

Families Who Choose to Retain Original Section 8 Assistance and Not Convert to Preservation Assistance

The Tenant Based Assistance family may avoid converting to preservation assistance by moving from the original unit. This will avoid a conversion to “preservation assistance.”

¹ Under the Voucher Program an owner may increase the rent in accordance with the terms of the existing lease and local and state law. Therefore, the owner is not required to terminate the existing lease and HAP for existing voucher participants to receive “preservation assistance.”

PART III: CALCULATING THE HAP PAYMENTS AND DETERMINING PAYMENT STANDARD

19-III.A. STAYERS

Stay In the Same Unit

The shopping incentive for all families who stay in the same unit or complex who are newly admitted after December 20, 1998 was eliminated under the Fiscal Year 99 Appropriations Act.

Therefore, the Housing Assistance Payment (HAP) will equal the new gross rent for the unit minus the greater of:

- (a) 30% of the adjusted family income;
- (b) 10% of the family's gross monthly income;
- (c) The applicable "rent" the family was paying on the date of prepayment/voluntary termination or:
- (d) Such other minimum rent as established by the Salem Housing Authority and adopted in its Administrative Plan which is authorized by Federal law.

Payment Standard Where the Family Chooses to Stay in the Same Unit

For a family staying in the same unit the payment standard is the gross rent (rent to owner plus any applicable utility allowance) of the family's unit, provided that the rent is reasonable² and exceeds the Salem Housing Authority's payment standard.

However, if the new gross rent is less than the Salem Housing Authority's payment standard, then the Salem Housing Authority's payment standard shall apply.

2. Rent reasonableness for units covered by preservation vouchers is performed in the same manner that the SHA uses for the regular voucher program as described within its Administrative Plan. However, the SHA will also take into consideration any comparability studies furnished to HUD by the owner in relation to the project in question.

Family Unit Size Limitation

In certain instances the family may reside in a unit which is too large or too small based upon the Salem Housing Authority's subsidy standards. The Salem Housing Authority must issue a preservation vouchers for the unit size for which he family qualifies under the SHA subsidy standards.

If the unit in which the family resides is larger than the unit size on the voucher (and the Housing Authority's payment standard for the unit size on the voucher is less than the gross rent requested for the unit in which the family resides), the family should be transferred to an appropriately sized unit within the project. If there is no appropriate sized unit within the project, then the family must make a good faith effort to find an appropriately sized unit outside of the project. The Salem Housing Authority determines what is a good faith effort by looking at (1) a list of units visited by the family, and (2) consideration of its knowledge of the market area. If, at the end of the voucher term, an appropriately sized unit is not located, the Salem Housing Authority will execute a Housing Assistance Payments (HAP) Contract for the oversized unit (provided the rent is reasonable and the unit meets HQS).

Enhanced Voucher Requirements for Over-Housed Families (Notice PIH-2016-02 (HA))

The family must move to an appropriate size unit when one becomes available.

- (a) If the family refuses to move to the appropriate size unit, the Salem Housing Authority will recalculate the tenant's rent using the payment Standard of the smaller unit size for which the family is eligible the second 1st of the month following the refusal of the appropriate size unit.
- (b) The family may stay in the oversized unit but will be responsible for the payment of increased rent; or
- (c) The tenant may relocate via Section 8 tenant assistance.

When the number of over-housed family exceeds the availability of appropriate size units in the project, family must complete a Transfer Application. The PHA will establish

an Enhanced Voucher Transfer Waiting List. The order of selection will be date and time.

- a) If the family refuses to complete a Transfer Application, the Salem Housing Authority will recalculate the tenant's rent using the payment standard of the smaller unit size for which the family is eligible the second 1st of the month following the refusal of completing the transfer application.
- b) The family may stay in the oversized unit but will be responsible for the payment of increased rent; or
- c) The tenant may relocate via Section 8 tenant assistance.

19-III.B MOVERS

Housing Assistance Payments For Families Who Choose to Move

If a family is moving from the unit to relocate to another complex, the HAP is calculated in the same manner ordinarily utilized under the Housing Choice Voucher Program:

Payment Standard Where the Family Moves

The Salem Housing Authority's payment standard will apply to all family moves from the project where the prepayment/voluntary termination occurred.

PART IV: PRESERVATION MINIMUM RENT REQUIREMENTS

19-I V.A. MINIMUM RENT

All families assisted with preservation tenant based assistance who choose to stay in the unit and not to relocate have a statutory preservation minimum rent. The calculation for this minimum rent is altered if the family's income substantially decreases (15% or more) from the family's gross income on the date of prepayment.

At a minimum, the family must pay at least the gross rent such family was paying on the date of prepayment or voluntary termination.

- (a) For unassisted residents, this is the gross rent paid taking into consideration any utility allowance required for utilities not included in the rental figure.
- (b) For assisted families, this is the total tenant payment or family contribution. However, for families receiving tenant based assistance, this provision only applies if the family decides to remain in the unit after prepayment/termination and the family receives "enhanced subsidy" because of this decision.

19-IV.B ADJUSTMENT DUE TO DECREASE IN INCOME

If gross family income decreases from gross income on the date of prepayment/termination by 15% or more, the following calculation shall be utilized to calculate minimum rent:

1. For families previously unassisted, the new preservation minimum rent is the greater of:
 - (a) the percentage of monthly adjusted income the family was paying for gross rent on the effective date of prepayment; or
 - (b) 30% of the families current monthly adjusted income
2. For families who were previously assisted, the preservation minimum rent shall be the greater of:

(a) the percentage of monthly adjusted income the family Total Tenant payment (TTP) of family contribution represented on the date of prepayment; or

(b) 30% of the family's monthly adjusted income.

After this change is made the percentage becomes fixed and that is the percentage which is always used in the future to calculate the rent of the particular family in question.

**PART V: APPLICABILITY OF SPECIAL CONDITIONS
AFTER THE FIRST YEAR OF ASSISTANCE**

19-V.A. MINIMUM RENT

The preservation minimum rent continues to apply to stayers even after the first year of assistance. The exception is if the family was already assisted by the tenant based certificate/voucher program on the date of repayment/voluntary termination and did not choose to accept an enhanced subsidy under which the special conditions applied, or if the family relocates.

19-V.B. SPECIAL PAYMENT STANDARDS

Stayers

The special payment standard remains in place after the first year. It will not be decreased unless there is a change in family size or composition requiring the Salem Housing Authority to use a new payment standard for the now appropriate bedroom size or if there is a decrease in the rent to owner. In addition, if the Housing Authority approves a rent increase to the owner after the first year, the Public Housing Authority will use the new approved gross rent for the unit as the new payment standard. This of course is only if this new increased rent is reasonable and exceeds the Salem Housing Authority's normally applicable payment standards.

Movers

The Salem Housing Authority will apply the regular payment standard if the family moves from the unit.

PART VI: NORMAL PROGRAM REQUIREMENTS

Except for the special conditions outlined in this Administrative Plan and any applicable HUD notices, normal Section 8 Program requirements apply to preservation vouchers. (i.e. income verification, HQS inspections)

19-VI.A. HOUSING AUTHORITY RESPONSIBILITY

After notification that the Salem Housing Authority is the administering agency, the Salem Housing Authority performs screening as set forth previously. The Salem Housing Authority retains the right to deny assistance under the grounds set forth in 24 CFR 982.552. However, in accordance with program regulations, the Salem Housing Authority will offer all families denied assistance under these grounds an informal review. Further, the Salem Housing Authority must administer the assistance taking into consideration the special conditions of preservation assistance.

19-VI.B. INCOME TARGETING EXCEPTION

Section 513 of the Quality Housing and Work Responsibility Act established new income targeting requirements for the Section 8 tenant based programs. However, Section 513(d) provided that if approved by the Secretary, a Housing Authority may implement another standard other than that required by the law. HUD has indicated that an income targeting exception will be automatically granted on behalf of each special admission family effective when HUD provides the funding. Thus, the Salem Housing Authority hereby includes in this Administrative plan a statement that an income targeting exception shall be provided to all “enhanced vouchers” admissions above the extremely low income limit.

19-VI.C. FAMILY SELF-SUFFICIENCY PROGRAM MINIMUM SIZE

At this time, the SHA does not have a Family Self Sufficiency Program.