Housing Choice Voucher Utilization Webinar

Improving Leasing Success

November 9, 2021
Agenda

• Understanding your local market and HCV program

• PHA Decision Points:
  ✓ Payment Standards
  ✓ Subsidy Standards
  ✓ Landlord Engagement
  ✓ Expanding the Market with Project Based Voucher (PBV)

• Additional Resources
Understanding Your Local Market and HCV Program

• **Know your data.** (What is your leasing success rate? Rent Burden level as a whole and by bedroom size? What neighborhoods are available to tenants?)

• **Make adjustments.** (Regularly adjust payment and subsidy standards. Engage landlords, and pivot staff as necessary to support tenant leasing.)
Let’s hear from you!
Payment Standard & Subsidy Standard Choices:

Determining Participant Maximum Subsidy
What is a Payment Standard? The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

The Payment Standard is the lower of:

- Payment Standard for the family unit size; OR
- Payment Standard for the size of the unit leased by the family.
Payment Standards - Basics

• PHAs must review annually:
  • A PHA has up to three months from the date when the new FMRs are published and go into effect in which to update its payment standards if a change is necessary to fall within the basic range of the new FMR; in other words, January 1st.
  • PHAs should also consider Rent Burden, Success Rate, and access to Opportunity Areas, along with the cost of implementing PS changes.
    • For more detail - See page 12 of the Payment Standard Chapter of the HCV Guidebook
Payment Standard Choices

• **The Basic Range:** 90% to 110% of FMR (can choose different percentages based on voucher bedroom size or area)

• **SAFMR:** Zip Code level Exception Payment Standards within Metro areas

• **Success Rate FMRs:** 50th Percentile (also use up to 110%)

• **HUD approved:** Exception Payment Standards above 110%
Success Rate FMR Regulation 982.503

e) HUD approval of success rate payment standard amounts. In order to increase the number of voucher holders who become participants, HUD may approve requests from PHAs whose FMRs are computed at the 40th percentile rent to establish higher, success rate payment standard amounts. A success rate payment standard amount is defined as any amount between 90 percent and 110 percent of the 50th percentile rent, calculated in accordance with the methodology described in § 888.113 of this title.

(1) A PHA may obtain HUD Field Office approval of success rate payment standard amounts provided the PHA demonstrates to HUD that it meets the following criteria:

(i) Fewer than 75 percent of the families to whom the PHA issued rental vouchers during the most recent 6 month period for which there is success rate data available have become participants in the voucher program;

(ii) The PHA has established payment standard amounts for all unit sizes in the entire PHA jurisdiction within the FMR area at 110 percent of the published FMR for at least the 6 month period referenced in paragraph (e)(1)(i) of this section and up to the time the request is made to HUD; and

(iii) The PHA has a policy of granting automatic extensions of voucher terms to at least 90 days to provide a family who has made sustained efforts to locate suitable housing with additional search time.

https://www.huduser.gov/portal/datasets/50per.html
### FY 2022 Fair Market Rent Documentation System

The FY 2022 Jackson County, OH FMRs for All Bedroom Sizes

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
<th>Three-Bedroom</th>
<th>Four-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 FMR</td>
<td>$547</td>
<td>$561</td>
<td>$738</td>
<td>$1,005</td>
<td>$1,177</td>
</tr>
</tbody>
</table>

50th Percentile FMR

50th Percentile Rents, in this example, are 4.7% higher.
Example #2: Success Rate Fair Market Rents

Final FY 2022 & Final FY 2021 FMRs By Unit Bedrooms

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
<th>Three-Bedroom</th>
<th>Four-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 FMR</td>
<td>$1,062</td>
<td>$1,202</td>
<td>$1,509</td>
<td>$2,065</td>
<td>$2,542</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>areaname22</th>
<th>rent_50_0</th>
<th>rent_50_1</th>
<th>rent_50_2</th>
<th>rent_50_3</th>
<th>rent_50_4</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Bernardino-Ontario</td>
<td>1153</td>
<td>1306</td>
<td>1639</td>
<td>2242</td>
<td>2761</td>
</tr>
</tbody>
</table>

50th Percentile Rents, in this example, are 8.6% higher.
Let’s hear from you!
Small Area FMR Exception Payment Standards

- Metro areas have zip code level FMRs, i.e. Small Area FMRs (SAFMRs).
- PHAs may use SAFMRs to establish zip code level Exception PS areas
  - 90%-110% of SAFMR.
  - Can opt-in for as many, or as few, zip codes as needed to meet program goals.
- No HUD approval required – just send email to SAFMRs@HUD.gov
- Data shown in Two Year Tool – PUC/RB tab
- See PIH 2018-01 for more details
Tool Connection: Two Year Tool and Payment Standard Tool


Two-Year Tool:

* Identify PHA Rent Burden Trends and compare to national trends.
* Forecast impact of PS-related PUC changes.

Payment Standard Tool:

* Assess impact of varying payment standards on program rent burden.
* Assess impact of varying payment standards on program per unit cost.
* Analyze these elements within areas or voucher bedroom sizes.
Two-Year Tool – PUC.RB Analysis Tab

% of Families Spending No More than 30% of Adj. Inc

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>58503</td>
<td>$884</td>
<td>$970</td>
<td>109.7%</td>
<td>Yes!</td>
</tr>
<tr>
<td>58521</td>
<td>$884</td>
<td>$880</td>
<td>99.5%</td>
<td>No</td>
</tr>
<tr>
<td>58504</td>
<td>$884</td>
<td>$870</td>
<td>98.4%</td>
<td>No</td>
</tr>
<tr>
<td>58501</td>
<td>$884</td>
<td>$840</td>
<td>95.0%</td>
<td>No</td>
</tr>
</tbody>
</table>
* Model different Payment Standard Scenarios impacts on per unit cost and rent burden.
* Model up to 20 different payment standard areas.
* Assess impacts at the voucher or area level.
* Assess subsidy standard impact on overall rent burden.
* Model impact of gross rent, tenant income, and utility allowance movement.
Analytic Result of Modeling Payment Standard Changes

Projected Impact to Rent Burden

**Monthly PUC Change Result**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$0.00</td>
<td>$2.88</td>
<td>$0.00</td>
</tr>
<tr>
<td>February</td>
<td>$0.00</td>
<td>$2.57</td>
<td>$0.00</td>
</tr>
<tr>
<td>March</td>
<td>$0.00</td>
<td>$2.17</td>
<td>$0.00</td>
</tr>
<tr>
<td>April</td>
<td>$0.00</td>
<td>$2.54</td>
<td>$0.00</td>
</tr>
<tr>
<td>May</td>
<td>$0.00</td>
<td>$4.23</td>
<td>$0.00</td>
</tr>
<tr>
<td>June</td>
<td>$0.00</td>
<td>$3.12</td>
<td>$0.00</td>
</tr>
<tr>
<td>July</td>
<td>$0.00</td>
<td>$4.52</td>
<td>$0.00</td>
</tr>
<tr>
<td>August</td>
<td>$0.00</td>
<td>$1.64</td>
<td>$0.00</td>
</tr>
<tr>
<td>September</td>
<td>$0.00</td>
<td>$2.95</td>
<td>$0.00</td>
</tr>
<tr>
<td>October</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>November</td>
<td>$4.82</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>December</td>
<td>$3.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Overall, by the end of 2022, your PUC will increase by $34.44, or about 6.4%.
Subsidy Standard – Basics

- PHA sets policy in Admin Plan determining how many bedrooms a family gets on its voucher – the “Family Unit Size.”

**Minimum:**
“Two Heartbeats” per room

**Maximum**
considering gender, age, etc.

**PHA Policy Choice Continuum**
Considerations for More Generous Subsidy Standards

• Children of separate genders regardless of age (i.e., from birth) will be allocated separate bedrooms.

• Children of the same gender with an age difference exceeding [number of] years will be allocated separate bedrooms.

• Unrelated adults of the same gender will be allocated separate bedrooms.

• Persons of different generations will be allocated separate bedrooms.

• Foster children will be included in determining unit size only if they will be in the unit for more than [number of] months.
Example of PHA tightening, then loosening, subsidy standards, as compared with State and National Norms. Measured by household members per voucher bedroom.*

* From Tool of Tools HCV Analysis Report available for each PHA
### Another Example of Subsidy Standard Impacts

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Voucher Size Count</th>
<th>Unit v. Voucher</th>
<th>Unit Size &gt; Voucher Size</th>
<th>Unit Size &lt;= Voucher Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1</td>
<td>1,415</td>
<td>1,088</td>
<td>76.9%</td>
<td>327 23.1%</td>
</tr>
<tr>
<td>2</td>
<td>1,493</td>
<td>1,131</td>
<td>75.8%</td>
<td>362 24.2%</td>
</tr>
<tr>
<td>3</td>
<td>581</td>
<td>234</td>
<td>40.3%</td>
<td>347 59.7%</td>
</tr>
<tr>
<td>4</td>
<td>73</td>
<td>11</td>
<td>15.1%</td>
<td>62 84.9%</td>
</tr>
<tr>
<td>5</td>
<td>26</td>
<td>2</td>
<td>7.7%</td>
<td>24 92.3%</td>
</tr>
</tbody>
</table>

**Over-housed?**

**Or**

**Under-voucherered?**
Landlord Engagement
Let’s hear from you!
Think about your agency’s practices and processes...
- Hours of operation
- Contact options
- Methods of sharing information
- Processing paperwork
- Scheduling inspections

--Are they landlord friendly?

--Could they be more landlord friendly?
General Customer Service | Setting and Meeting Expectations

What is a landlord’s experience when they contact your PHA? How do you respond to landlord questions and inquiries?

• Provide a timeline for the landlord so they know when to expect a response.
• Periodically monitor your email and call logs to see if you are meeting the expected timeline.
• If you are not, it is important to act accordingly – either change your processes so you can meet the expected timeline or revise your timeline and communicate that change to landlords.
Listen to the Challenges & Address Pain Points

What are the most common “pain points” with HCV for landlords in your area?

• Is it possible to shift resources, or adjust priorities, to address some of those “pain points”?

• Example:
  • Landlords get frustrated when the unit fails inspection causing a delay in lease-up and payment.
  • Establish the practice of communicating common fail items to landlords when the inspection is scheduled. Offer a pre-inspection phone call or walk through with a staff trained on physical inspection standards to answer any questions.
Elevate Beneficial Processes

• Adjusting HAP and tenant portion of rent due to change in family’s income
• Adjusting HAP due to change in cost of renting a unit on the housing market (processing rent increase requests)
• Routine inspections of the unit that can serve as a means to identify maintenance issues
• Updates on laws, programs, and other items that may affect landlord business practices (for example - notification of an eviction moratorium)
• Opportunity to work with PHA staff to address specific tenancy issues to avoid costly eviction
Allocate Resources for Landlord Participation

Dedicate experienced and knowledgeable staff to handle landlord inquiries and issues

Partner with state and local organizations to offer monetary incentives

- Gift card to local hardware store
- Security deposit
- Vacancy payment
- Signing bonus
- Damage claim fund
- Bonus for 3+ bedrooms or accessible unit
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord
Expand your Market with Project-Based Vouchers (PBV)

- PHAs can commit 20-30 percent of their regular voucher units as project-based units, including VASH, Mainstream, FYI units.
- Projects can be identified competitively and noncompetitively.

The PBV Program has grown over 100% in the past five years, and now accounts for 12% of all HCV Units.

HOWEVER, only 35% of PHAs have a PBV program, and the vast majority of those programs are well below the PBV program cap.
PBV Resources

• PHAs interested in learning more about the PBV program should visit: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project

• PHAs notify HUD of their intent to develop project-based units by emailing pbvsubmissions@hud.gov. Refer to PIH Notice 2017-21.

• Your local Field Office can also help walk you through the process.

• HUD is planning additional technical assistance material on this subject, and it will likely be the topic of another webinar.
Additional Resources to Help Improve Leasing Success

• Visit www.hud.gov/hcv
  • The Voucher Utilization Tools section of the site offers links to the tools presented today along with additional training materials.
  • The HCV Landlord Resources section provides additional resources to help PHAs with landlord engagement and outreach.
  • The Project Based Vouchers section provides resources and guidance to help your PHA establish and expand your PBV program.

• Your local HUD Field Office is available to assist!

This webinar will be posted at www.hud.gov/hcv, emailed to all who registered, and shared through our new HCV Connect email newsletter. (HCV Connect signup available at www.hud.gov/hcv.)
Let’s hear from you!