Technical Questions: Submit to the Host using the CHAT feature.

HCV Questions for the Presenters: Submit using the Q&A feature.

Any additional thoughts or questions can be submitted anytime to landlordtaskforce@hud.gov.
Welcome

Felicia Gaither
Deputy Assistant Secretary, Office of Field Operations
U.S. Department of Housing & Urban Development
Regulatory Flexibilities to Improve Landlord Participation

PHA Innovations During COVID-19
• Administrative Flexibilities Overview
• Panel Discussion: Innovations in the Field During COVID-19

Matching Local Rental Markets
• How HUD Sets Fair Market Rents (FMRs)
• Matching Local Rental Markets
• Panel Discussion: PHAs’ Experiences
Administrative Flexibilities Available to PHAs

Danielle Bastarache
Deputy Assistant Secretary, HUD Office of Public Housing and Voucher Programs
Administrative Flexibilities

• Multiple flexibilities available to PHAs
  • Pre-COVID (continuing). See Reference Guide.
  • COVID-19-related (some may continue).
• Designed to reduce administrative burden and ensure physical safety of PHAs and landlords.

Reference Guide in HCV Landlord Strategy Guidebook for PHAs
Available on HUD’s HCV Landlord Resources webpage

Inspections Flexibilities

Making inspections simpler, faster, and safer

Ongoing Inspections Flexibilities
Verify corrections.
Expedite occupancy.
Simplify periodic inspections.

Additional COVID-19 Inspections Flexibilities
Limit in-person contact.
Allow for repair extensions.

REFERENCES

Continuing
- Biennial or triennial inspections (85 Fed. Reg. 11381)
- Photo evidence of corrected deficiencies (PIH Notice 2013-17)
- Non-life-threatening deficiencies (PIH Notice 2017-20)
- Alternative inspection option (PIH Notice 2017-20)

COVID-19
- Extended time frames for alternative inspections and correcting non-life-threatening deficiencies (PIH Notice 2020-33)
- Delaying periodic inspections for up to 1 year (PIH Notice 2020-33)
- Owner self-certifications for initial and interim inspections (PIH Notice 2020-33)
Additional Administrative Flexibilities

Responding to the financial impact of COVID-19

Ongoing Administrative Flexibilities
Matching the market.
Better determine rent reasonableness.
Supplement landlord tenant screening.
Coordinate with other PHAs.

Additional COVID-19 Administrative Flexibilities
Adoption of payment standard increases.
Landlord incentives.

REFERENCES

Continuing
• Exception payment standards (24 CFR § 982.503(b)(1)(iii),(c),(2))
• Small Area FMRs (24 CFR § 888.113(c))
• Rent reasonableness (24 CFR § 888.113(c))
• PHA tenant screening (24 CFR § 982.307)
• Streamline administrative practices (PIH 2012-15)

COVID-19
• Immediate adoption of increases in payment standards (PIH Notice 2020-33)
• Using CARES Act administrative fees for incentives to retain landlords or increase landlord participation (PIH Notice 2020-18)
Panel Discussion: Incentives in the Field During Covid-19

Oakland Housing Authority
Michelle Hasan, Director of Leasing Housing

Marin Housing Authority
Kimberly Carroll, Deputy Executive Director

Housing Authority of the City of Santa Barbara
Jerry Morales, Leasing Agent

Alameda Housing Authority (City of Alameda)
Tonya Schuler-Cummins, Senior Management Analyst

Moderator: Gerard Windt
San Francisco PIH Director
Oakland Housing Authority

Michelle Hasan
Director of Leasing Housing

Service Area: City of Oakland
Number of Vouchers: 13,107
Moving to Work (MTW) Program Overview

**Flexibility**
- Explore and test new innovative methods
- Create Efficiencies
- Reduce costs
- Increase housing choice
- Incentives to families with children

**Fungibility**
- Single Fund Budget
- MTW funds can be used outside of traditional programs
- Supports local housing activities
# Incentives and Flexibilities

## HUD Waivers and CARES Funding

- Extend pre-qualifying inspection period to 120 days
- Extend searching time for vouchers
- Owner incentive payment
- Security deposit assistance
- Direct deposit campaign

## Process Changes

- Virtual inspections and briefings
- Self-certification of repairs
- Self-certification interims
- Electronic request for tenancy
- DocuSign for vouchers and contracts
Marin Housing Authority

Cynthia Swan
Housing Locator

Service Area: Marin County
Number of Vouchers: 2,400
Administrative Flexibilities that Benefit Section 8 Participating Landlords

- Family Income and Composition; Annual Examination
- Family Income and Composition; Interim Examinations
  - Self Certification
  - Benefit: Promptly adjust income when participants loses income ensures landlord gets paid the proper amount in a timely fashion
- Initial Inspection Requirements
  - Agency will conduct a combination of in-person and virtual inspections with owner self-certification as a last option.
  - Benefit: Ensures agency promise of inspection within 24 hours of RFTA submittal
- Non-Life-Threatening Deficiencies (NLT) Option
  - Allow up to 60 days for correction
  - Benefit: Allows flexibility for landlord to arrange repairs safely during pandemic
- Initial Inspection Requirement – Alternative Inspection Option
  - Only if not able to inspect in person or virtually **not used**
  - Benefit: Allows more flexibility to lease up in a prompt and efficient manner
Administrative Flexibilities that Benefit Section 8 Participating Landlords (cont.)

• Biennial Inspections and Annual Inspections
  • Delay inspections until deemed safe
  • Allow for virtual inspection, video, or photos if appropriate
  • Benefit: Allows for safe management of property during the pandemic

• Information When Family Is Selected
  • PHA oral briefing, Agency will utilize webcast or video calls in English or Spanish for prompt, efficient issuance of voucher and lease up.
  • Benefit: Doesn’t delay initial move in which costs landlord time and money

• Approval of Assisted Tenancy – Allow up to 120 days for HAP contract execution
  • Allow up to 120 days for HAP contract execution
  • Benefit: Allows time to safely gather necessary documents **not used**

• Absence from Unit
  • Consider extending time frame past 180 days for COVID-related absence **not used**
  • Benefit: Doesn’t leave landlord with an abandoned unit when illness is involved

• Increase in Payment Standard for all Interim Examinations
  • Benefit: Added financial security for Landlords especially when gross rent exceeds payment standards
Uses of CARES Act Funds

1. Immediately set up remote offices for staff at HACSB owned complexes to avert workflow delays. As a result, HACSB continued to operate and lease up throughout the pandemic.

2. Purchase of cameras for all staff to continue working and replying to clients and landlords.

3. Purchase of laptops for all staff to continue working and replying to clients and landlords.

4. Purchase of agency Zoom account to be used by staff for virtual inspections, staff meetings and meetings with landlords in addition to other agency uses.

5. Created a completely digital process (internally and externally) to process Request for Tenancy Approvals promptly and efficiently.

6. Enhanced customer service response by communicating to landlords that all concerns can be communicated directly to the lease up team (no direct costs).
7. Purchase of agency Adobe Sign and Acrobat accounts to more efficiently complete documents with landlords and collect signatures such as Request for Tenancy Approval forms, HAP contracts, and other documents.

8. Funded landlord incentive fund for the following incentives: $500 new landlord lease up bonus, up to 10.5 days vacancy loss between consecutive HAP contracts, up to $2,000.00 in loss mitigation funds for landlords, and $100 referral fee that leads to a HAP contract with new landlord. These incentives were initially implemented prior to COVID with pre-2004 fee reserves.

9. Contracted for two professionally produced briefing videos in English and Spanish which allow for prompt issuance of vouchers while providing a safe environment for workers and clients.
Additional Strategies to Increase Lease-Up During Covid-19

1. **Engaged in a local public relations campaign** releasing news stories on HACSB accomplishments and benefits of the HCV/Section 8 Program highlighting benefits of the program as well as landlord and client successes.

2. **Increased engagement with the Santa Barbara Rental Property Association** to promote Section 8 Program benefits to landlords.

3. **Enhanced housing location services** by providing landlords with rental applications of qualified households for available units – more landlords are eager to add their units to our lists.

4. **Creation of a “Lease Up Team” video** produced in house to recruit new landlords; the short video briefly explains the Section 8 Process and the advantages to participating landlords; addition of leasing @ email so landlords have one place to ask questions (in progress).

5. **Funding for supportive services** to follow up with clients having issues in their tenancies; landlords appreciate the support for the tenants. These incentives were initially implemented prior to COVID with pre-2004 fee reserves.
Alameda Housing Authority

Tonya Schuler-Cummins
Senior Management Analyst

Service Area: City of Alameda
Number of Vouchers: 1,885
Launches and Changes Since March 2020

• Online Portals
  • Vendor
  • Landlord
  • Applicant
  • Participant – interims and annuals

• DocuSign
• Scanning all mail
• Expanded online forms
• Video platforms
• Evaluation of phone services
• Working from home and expanded office space
Q&A

Please submit questions through the Q&A feature at the bottom of your screen
BREAK

Please rejoin the session at 11:15AM PST

Next up: Matching Local Rental Markets
Welcome: Matching Local Rental Markets

Peter Kahn
Associate Deputy Assistant Secretary for Policy Development
Office of Policy Development & Research
US Department of Housing and Urban Development
How HUD Sets Fair Market Rents (FMRs)

Adam Bibler
Senior Economist, Program Parameter Research Division
Fair Market Rents (FMRs)

Introductory Overview

Prepared By:
Adam Bibler
Program Parameters and Research Division
Office of Economic Affairs
Resources

• Contact the staff of the Program Parameters and Research Division at: pprd@hud.gov

• Fair Market Rents
    o Query Tool Tab: Online Documentation System providing step by step details of FMR Calculations
    o Documents Tab: Official versions of Federal Register Notices, FMR Schedules, and other information
    o Data Tab: Electronic Versions of FMR Data

• FMR Surveys
  - https://www.huduser.gov/portal/datasets/fmr.html#fmrsurvey

• Historical Data
  - https://www.huduser.gov/portal/datasets/fmr.html#history

• OMB Bulletin – Metropolitan Area Definitions
  - https://www.whitehouse.gov/omb/bulletins/
What are FMRs?

- Gross rent – shelter and utilities of a decent home
- Used to determine payment standards in the Housing Choice Voucher program (among other uses)
- FMRs differ for each HUD-defined metropolitan area or non-metropolitan county
  - 2,600 Unique areas
- Set at the 40th percentile of gross rents in an area (24 CFR 888.113)

![Rent Distribution Diagram]

- Lower $  
- Rent Distribution  
- Higher $  

40th Percentile  Average
FMR Methodology

“Base Rent” \times “Inflation Adjustment”

Past year value $\rightarrow$ Current Federal Fiscal Year (FY)
FMR Methodology

“Base Rent” \( \times \) “Inflation Adjustment”

- Based on estimates from the American Community Survey from the US Census Bureau
- Excludes inadequate units
- For “recent movers”
- Statistical quality checks
FMR Methodology

“Base Rent” $\times$ “Inflation Adjustment”

Two Parts
- Actual Inflation
- Forecasted Inflation

Past year value $\rightarrow$ Current Federal Fiscal Year (FY)
FMR Methodology

“Base Rent” \times “Inflation Adjustment”

Actual Inflation

- Bureau of Labor Statistics Consumer Price Index Rent of Primary Residence and Fuels and Utilities subindexes
- Based on a repeated surveys of rents for the same units over time
- Metropolitan Level for the top ~20 areas, regional for other areas
FMR Methodology

“Base Rent” $ \times $ “Inflation Adjustment”

Forecasted Inflation

- Econometric forecasts of the CPI series discussed previously
- Forward looking
- New as of FY2020
Other Adjustments

• Each State as a minimum FMR
• An area’s FMR may not decrease by more than 10% from year to year
• Bedroom size adjustments
Challenges

• Different geographic coverage between the data source used for base rents and for inflation adjustment
  • Areas comprising 79% of the country by population use a “local” estimate for recent mover adjusted base rents
    • Other areas use a State metropolitan/non-metropolitan rent
  • Only 40% of the country by population receives a local estimate of inflation
    • BLS only produces local CPI estimates for the largest ~20 metropolitan areas
    • Other areas use a Census region estimate

• Survey Error / How to measure accuracy

• Existing regulations acknowledge uncertainty (90%-110% payment standard range)
California Local CPI/Trend Factor Areas
Small Area FMRs

• Small Area FMRs set by ZIP Codes within Metropolitan Areas
  – Provide tenants greater Mobility Options to move to “Opportunity Neighborhoods”
    ✔ Jobs, Transportation, Good Schools

  – Multiple payment standards in a metro area

  – Reduce undue subsidy in lower-rent areas

• Required in administering the Housing Choice Voucher Program in 24 metropolitan areas
Small Area Fair Market Rents

- Where there is sufficient data, calculated in the same manner as metropolitan FMRs, using a ZIP Code level base rent instead.

- If there is insufficient bedroom-specific data, use the ratio of ZIP Code rents to metropolitan rents for units of all bedroom sizes.
  
  - Multiply this ratio by the metropolitan FMR.
Small Area Fair Market Rents - Rationale

Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area
Small Area Fair Market Rents - Rationale

Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area – Small Area FMRs
FMR Re-evaluations

- “Most recent available data”

- HOTMA: Housing Agencies or Other Interested Parties May Request a Reevaluation of the FMRs
  - Requested during the FMR comment period
  - New FMRs DO NOT become effective in areas with valid request
  - Data more current than what HUD uses must be collected and submitted
Matching Local Rental Markets

Alison Bell
Senior Housing Programs Specialist, Housing Voucher Management & Operations Division
Using Multi-Tiered Payment Standards to Match Markets

• A system where the payment standard varies depending on the location of the unit within the jurisdiction

• HUD offers multiple options for PHAs to match their payment standards to local markets

<table>
<thead>
<tr>
<th>Tier</th>
<th>Voucher bedroom size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>$738</td>
</tr>
<tr>
<td>2</td>
<td>$805</td>
</tr>
<tr>
<td>3</td>
<td>$891</td>
</tr>
</tbody>
</table>
PHAs that Could Benefit from Multi-Tiered Payment Standards

• Any PHA that has a mixed rental housing market within their jurisdiction
• PHAs looking to diversify where their voucher households live within their jurisdiction
• PHAs that want to increase lease-up times and lease-up success rates
Benefits of Using Multi-Tiered Payment Standards to Match Markets

• **Increasing payment standards in high-rent areas**
  • Makes more units affordable in High Opportunity Areas
  • Increase families’ competitiveness, “buying power”
  • Clients may lease up more frequently and more quickly, reducing administrative burden

• **Stabilizing payment standards in low-rent areas**
Regulatory Options to Create Multi-Tiered Payment Standards to Match Local Rental Markets

24 CFR 982.503
- Using the basic range of the Fair Market Rents
- Using the Small Area Fair Market Rent (SAFMR) to establish exception rents
- Adopting the full SAFMR
FMR Basic Range Multi-Tiered Payment Standards

PHAs using this option set their tiers within the basic range of the FMR

<table>
<thead>
<tr>
<th>Tier</th>
<th>Calc</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>1</td>
<td>90% FMR</td>
<td>$658</td>
<td>$844</td>
<td>$1,102</td>
<td>$1,296</td>
<td>$1,490</td>
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<tr>
<td>2</td>
<td>100% FMR</td>
<td>$731</td>
<td>$938</td>
<td>$1,224</td>
<td>$1,440</td>
<td>$1,656</td>
</tr>
<tr>
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<td>110% FMR</td>
<td>$804</td>
<td>$1,032</td>
<td>$1,346</td>
<td>$1,584</td>
<td>$1,822</td>
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</table>

Might be a good option for PHAs that:

- Want to try out a multi-tiered strategy but concerned about rising HAP costs
- Want to reduce the incentives for high poverty neighborhood rentals
Exception Rents Option 1: Using SAFMR to Increase Payment Standards in High-Rent Areas

- Set the payment standard within the basic range of the SAFMR
- Good option for PHAs that want to try out SAFMR
- Only requires HUD notification

<table>
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<tr>
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<td>$1,440</td>
<td>$1,656</td>
</tr>
<tr>
<td>3</td>
<td>110% SAFMR</td>
<td>$968</td>
<td>$1,243</td>
<td>$1,617</td>
<td>$1,903</td>
<td>$2,188</td>
</tr>
</tbody>
</table>

The map illustrates various tier levels and rent percentage ranges, including 93.5% SAFMR, 102% SAFMR, 110% SAFMR, 98.8% SAFMR, and 110% FMR.
Exception Rents Option 2: Payment Standards up to 120% of the FMR

- Justification presented in data is required and approved by the local HUD office
- The goal of the exception rent must be to either: (1) Help families find housing outside of high poverty area; or (2) Reduce the number of families whose vouchers expire
- Good option for PHAs that want to increase payment standards in a geographic area that does not conform to a ZIP Code

<table>
<thead>
<tr>
<th>Tier</th>
<th>Calc</th>
<th>1</th>
<th>2</th>
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<td>$1,656</td>
</tr>
<tr>
<td>3</td>
<td>120% FMR</td>
<td>$877</td>
<td>$1,126</td>
<td>$1,469</td>
<td>$1,728</td>
<td>$1,987</td>
</tr>
</tbody>
</table>
Full Small Area Fair Market Rent (SAFMR) Adoption

- Fair market rent is calculated at the ZIP Code level rather than the metropolitan statistical area.
- PHAs set their payment standards with the basic range of the SAFMR.
- Available to PHAs in metropolitan areas.
- Currently there are 24 metro areas where PHAs are required to implement SAFMRs.
- PHAs may opt-in to using SAFMRs with HUD approval.

<table>
<thead>
<tr>
<th>Tier</th>
<th>ZIP Codes</th>
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<th>3</th>
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<tr>
<td>2</td>
<td>30003, 30004, 30005, 30006, 30007, 30008, 30010</td>
<td>$891</td>
<td>$968</td>
<td>$1,243</td>
<td>$1,617</td>
<td>$1,903</td>
</tr>
<tr>
<td>3</td>
<td>30002, 30009, 30012, 30013</td>
<td>$1,001</td>
<td>$1,078</td>
<td>$1,353</td>
<td>$1,727</td>
<td>$2,013</td>
</tr>
</tbody>
</table>
Additional Options to Match Markets

• Above 120% of the FMR, see 24 CFR § 982.503(c)(3)
• HUD approval of payment standard amount below the basic range, see 24 CFR § 982.503(d)
• Success rate payment standards, see 24 CFR § 982.503(e)
Considerations Before Moving to a Multi-Tiered Payment Standard System

• Start up costs to update case management systems, train staff, and notify families and landlords

• Multi-tiered systems will work best of they are easy to describe and explain to users

• Additional HAP costs, in most cases
  • Full SAFMR adoption is typically cost neutral over time

• Where payment standards are reduced:
  • Review potential additional rent burdens for families
  • Landlord frustration
  • Requirements to notify families where payment standards are being reduced
Additional Resources

• Housing Choice Voucher Program Guidebook, Payment Standards chapter:

• Implementing Small Area Fair Market Rents (SAFMRs) Implementation Guidebook:

• Payment standard forecasting tools:

• SAFMR final rule:
PHA Experiences with Matching Markets

Community Development Commission of Mendocino County
Todd Crabtree, Executive Director

Sacramento Housing and Redevelopment Agency
Laila Darby, Director, Housing Choice Voucher Program

Introduced by: Peter Kahn
Associate Deputy Assistant Director
Office of Policy Development
Community Development Commission of Mendocino County

Todd Crabtree
Executive Director

Service Area: Mendocino County
Number of Vouchers: 915
Success Rate Payment Standards

Success rate payment standards are set forth in 24 CFR §982.503 (e)

1. To request from HUD field office to use 50 percentile rent instead of 40 percentile rent, a PHA must meet following criteria:
   1. Fewer than 75 percent of the families to whom the PHA issued rental vouchers during the previous 6-month period have become participants in the voucher program.
   2. The PHA has established payment standard amounts for all unit sizes at 110 percent of FMR for at least 6 months.
   3. 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.

2. PHA submits the request to the HUD field office. They will review and may also take into consideration whether PHA has a SEMAP rating of “troubled.”

3. Data for 50th percentile can be found at https://www.huduser.gov/portal/datasets/50per.html

4. With approval of 50th percentile rents the PHA can then set payment standards up to 110 percent of the 50th percentile. In essence amounts to 10 percent higher payment standards.

5. The success rate payment standard is for all unit sizes though the PHA can decide which unit sizes to apply.
Sacramento Housing and Redevelopment Agency

Laila Darby
Director, Housing Choice Voucher Program

Service Area: Sacramento County
Number of Vouchers: 12,735 (including PBV)
SHRA SAFMR History

• SHRA was required by HUD to implement the SAFMRs in 2018.
• Training for staff for marketing of SAFMR.
• Landlord engagement and marketing.
• Participant education on SAFMR option.
• Perform annual analysis of SAFMR to continue implementation.
Please submit questions through the Q&A feature at the bottom of your screen.
Interested in Becoming an HCV Landlord?

1. Contact your local PHA. (https://www.hud.gov/program_offices/public_indian_housing/pha/contacts)

2. Select a tenant.

3. Make sure housing meets minimum standards.

4. Sign lease and HAP contract, and start receiving payments.
Next Up:
HCV Landlord Participation
Webinar 4: Spring, 2021

Inspections

Questions: landlordtaskforce@hud.gov

Additional Resources:
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord