

Public Housing Residents and the New Legislation:

How does the new public housing law affect me?

NOTE: This is a brief summary of parts of the new public housing law (the Quality Housing and Work Responsibility Act of 1998) that most affect residents. This summary is provided as an aid and **is not intended to be a complete description** of those parts, nor is it a description of every part of the new law which may affect public housing residents. Guidance, notices and regulations that HUD will publish will further define and specify the requirements and responsibilities that are summarized below.

Access to Housing Assistance for Poorest Families/Deconcentrating Poverty

Public Housing - The new act provides that 40% of newly-available public housing units at a public housing agency (PHA) generally must go to families with incomes less than 30% of area median income (as determined by HUD).

Tenant-Based Section 8 (Vouchers) - 75% of newly-available vouchers at a PHA must go to families with incomes less than 30% of area median income.

Project-Based Section 8 - 40% of newly-available units in each project must go to families with incomes less than 30% of area median income.

Deconcentrating Poverty - Each PHA must adopt an admissions plan to place relatively higher income families in lower income developments and lower income families in higher income developments, to help eliminate concentrations of poverty.

Site-based waiting lists - PHAs may establish a system of site-based waiting lists, consistent with all applicable civil rights and fair housing laws.

Rents and Income

Minimum rents - The new act requires each PHA to set a minimum rent (not more than \$50) for residents in public housing, and Section 8 certificate, voucher and moderate rehabilitation projects. Exceptions to payment of minimum rent may be made by the PHA for families in hardship circumstances.

Choice of rental payment - PHAs must develop both a flat rent and an income-based rent schedule and provide families with an annual choice between the two types of rent. The PHA's rental policy must encourage and reward employment and economic self-sufficiency. If a family chooses a flat rent payment, but is later unable to pay that amount because of financial hardship, the PHA must allow the family to switch immediately to an income-based rent.

Earned Income Disregard - For public housing residents, the new act lets PHAs disregard earned income for 12 months after new employment and to phase in rent increases after that. In other words, a family's rent could not be increased for one year, and rent increases in the second year would be limited, when a family member who was unemployed or on TANF gets a job. Individual savings accounts may be used instead of an earned income disregard.

Adjusted income and income reporting - The new act provides mandatory exclusions for medical expenses of non-elderly families and for child and spousal support, but no money was appropriated by Congress for this in Fiscal Year 1999. It requires families in public housing or in tenant-based Section 8 to disclose income, earnings, wages or unemployment compensation to the PHA if the family receives information from HUD about these matters.

Supportive Services

The act requires cooperative agreements between PHAs and local welfare agencies to target supportive services. It authorizes a supportive services program directly mostly to public housing residents.

Community Service and Self-Sufficiency

Community service - Adult members of assisted families must participate for at least 8 hours a month in community service or economic self-sufficiency training. This does not apply to elderly persons, disabled persons, persons already working, persons exempt from work requirements under State welfare to work programs, or persons receiving assistance under a State program that have not been found to be in noncompliance with such a program. PHAs are to refuse to renew the resident's 12-month lease for failure to satisfy this requirement.

Grants - The new act combines the Tenant Opportunity Program (TOP) with the Economic Development, Supportive Services (EDSS) program. HUD can make grants to PHAs or resident organizations to provide for supportive services and resident empowerment activities. These activities may include physical improvements, providing service coordinators or a congregate housing services program for the elderly or disabled, services relating to work readiness, economic and job development, resident management activities and other actions designed to encourage self-sufficiency. Not less than 25% of these funds must be provided directly to resident councils, organizations, and resident management corporations, to the extent there are a sufficient number of qualified applicants. The agency or organization must match at least 25% of the grant amount with funds from other sources in order to be eligible.

Welfare sanctions and rent - For residents in public housing or recipients of tenant-based Section 8 assistance receiving TANF, a family's rent will not be reduced when its income goes down because of welfare agency sanctions.

Resident Involvement

Required membership on PHA board - The new act requires that the board of directors of a PHA include at least one member who is directly assisted by the PHA and who may be elected by the residents, except for PHAs required by law to have a salaried, full-time board of directors, or who have less than 300 public housing units where residents do not express an interest in serving. This applies to PHAs that only administer Section 8, as well as those that administer conventional public housing.

Public Housing Agency Plan - PHAs are to consult with resident organizations in developing their annual and 5-year plans. PHAs must also provide notice and hold a public hearing to get comments on their during development of their plans and make changes in consultation with the resident organization. Significant amendments or modifications to PHA plans must also be done in consultation with resident organizations. Notice and public hearing requirements also apply.

Demolitions and dispositions - The new act requires PHA demolition applications to be developed in consultation with affected residents or the resident organization. It also provides residents with the opportunity to purchase developments in the case of proposed dispositions (not demolitions). Advance notice of displacement, comparable relocation housing, counseling and payment of relocation costs is also required.

Conversions - PHAs must also consult with resident organizations in developing plans for converting a public housing project to tenant-based Section 8 assistance. Advance notice of displacement, comparable relocation housing, counseling and payment of relocation costs is also required.

Requests to transfer management - HUD may transfer the authority and authority for managing specified housing to an eligible management entity if a request to do so is made by a majority vote of the residents of that housing, after certain other requirements have been met.

Homeownership

HUD may, in accordance with a PHA's plan, transfer a unit to an eligible resident purchaser, under a program that will be designed by HUD. PHAs must initially offer the unit to the resident occupying it, or to an organization serving as the channel for sales to any such resident. Protections for residents not choosing to purchase are the same as those noted above for demolitions and conversions.

Pets

The new act allows residents in public housing (not tenant-based assistance) to have one or more common household pets, subject to the reasonable requirements of the

PHA. PHAs may prohibit pets that are classified as dangerous and prohibit pets in certain kinds of buildings or developments. Residents must keep their pets responsibly.

Safety and Security

Access to criminal and drug abuse records - The act allows PHAs to require applicants for public housing and tenant-based assistance to consent to the PHA obtaining adult criminal conviction records from the National Crime Information Center, other law enforcement agencies and drug abuse treatment facilities. If the PHA requires applicants to allow the PHA to get records on possible current illegal drug use from a drug abuse treatment facility, there are a number of legal consent, records, and confidentiality requirements that the PHA must meet.

Admissions screening - The act authorizes PHAs and project owners to establish standards prohibiting admission to federally assisted housing to households with a member who they determine is illegally using a controlled substance or abusing alcohol in a way that may interfere with the health, safety, or peaceful enjoyment of the premises by other residents. They are also allowed to deny admission to a household if any member during a reasonable time before admission engaged in drug-related or violent criminal activity. PHAs and project owners must also screen for and prohibit admission of persons who are dangerous sex offenders.

Terminations and evictions - Residents of public housing, tenant-based Section 8 assistance, and other federally assisted housing may have their leases terminated and be subject to expedited eviction (after an expedited grievance process) for violent or drug-related criminal activity and felony convictions. Families evicted for drug-related criminal activity from public housing, tenant-based Section 8, or other federally assisted units are prohibited from being readmitted for 3 years.

Tenant-Based Section 8

The act merges the Section 8 certificate and voucher programs into one tenant based program called Section 8 vouchers. The new program has features of the old certificate and vouchers programs, with new requirements. Among the provisions affecting tenants:

Payment standard - The subsidy amount is based on a payment standard set by the PHA anywhere between 90% to 110% of the fair market rent (FMR). HUD may approve payment standards lower than 90% or higher than 110% of FMR.

Tenant rent - A family renting a unit below the payment standard pays the higher of 30% of monthly adjusted income, 10% of monthly income, or the welfare rent. A family renting a unit above the payment standard pays the higher of 30% of monthly adjusted income, 10% of monthly income, or the welfare rent, plus the amount of rent above the payment standard. A family must not pay more than 40% of income for rent

when the family first receives the subsidy in a particular unit (this is not applicable at reexamination if the family stays in place).

Optional PHA screening of applicants - Although the screening and selection of tenants will remain a function of the owner, the PHA also may elect to screen applicants in accordance with any HUD requirements.

Termination of tenancy - “Violent criminal activity on or near the premises” is added to the statutory termination of tenancy provisions.

Portability - Nationwide portability to any area where the voucher program is operational is required for the new voucher program. PHAs may opt to require applicants who were non-residents at the time of application to live in the PHA’s jurisdiction during the first year. PHAs must not issue a participant a voucher for a portable move if the family has moved out of the unit in violation of the lease.

Homeownership - PHAs may opt to implement a Section 8 tenant-based homeownership program.

Tenant participation - Owners of multifamily Section 8 moderate rehabilitation projects, project-based certificate projects, and preservation projects with tenants who began receiving enhanced voucher assistance on or after October 1, 1997, must not interfere with the efforts of tenants to obtain rent subsidies or other public assistance, and must not interfere with the reasonable efforts of resident tenant organizations to represent their members or the reasonable efforts of tenants to organize.