



## 2024 Public Housing Agency (PHA) Plan and MTW Supplement

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### What is the Public Housing Agency (PHA) Plan?

- Guide to Public Housing Agency (PHA) policies, programs, operations, and strategies for meeting local housing needs and goals.
- HUD requires PHAs to submit:
  - Annual Plans each year, and
  - Five-Year plans every 5<sup>th</sup> year.
- PHAs must present the draft plan to their Resident Advisory Board (RAB) for feedback and comments before submission to HUD.



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## SHA's 2024-2025 Annual PHA Plan

- **Plans for the coming year:**
  - Demolition or disposition of up to 137 Public Housing units.
    - Units have significant deferred maintenance.
    - Scattered site units are costly to maintain.
    - Residents will receive continued rental assistance; most likely through the Housing Choice Voucher program.
    - SHA plans to replace these units with more sustainable housing for the long-term future.
  - **Project-Based Vouchers**
    - SHA may award up to 100 Project-Based Vouchers per calendar year to projects that meet the requirements outlined in its Housing Choice Voucher administrative plan.
  - Update administrative documents governing the Voucher and Public Housing programs to implement the Housing Opportunity through Modernization Act (HOTMA).

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## The Housing Opportunity through Modernization Act of 2016 (HOTMA)



HOTMA was signed into law on July 29, 2016.



HOTMA makes significant changes to income calculation, net family assets, and income reviews.



SHA will update its Housing Choice Voucher Administrative Plan and Public Housing Admissions and Continued Occupancy Plan to implement HOTMA, effective 10/01/2024.

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## Summary of HOTMA Changes

- Interim re-examinations only for a 10% or more decrease / increase in income.
- Streamlined verifications.
- Increased standard deduction for elderly / disabled households.
- Additional income exclusions.
- Threshold for claiming medical / disability expenses increases from 3% of gross income to 10% of gross income.
  - Phased in over 2 years for existing program participants.
  - Hardship relief may be requested.

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## Summary of HOTMA Changes

- Higher threshold for imputing asset income, raising it from \$5,000 to \$50,000.
- Public housing income limitation changes that allow in-place families to continue to rent their unit outside of the Public Housing program if they exceed the income limit for the program.
- \$100,000 net asset limitation for eligibility.
- Families who own real property suitable for occupancy will be ineligible for assistance.
- Retirement and educational savings account are excluded from net family assets.
- Self-certification of assets under \$50,000.
- Deductions and asset limitation will be adjusted for inflation annually by HUD.

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## SHA's 5-Year PHA Plan (2024-2028)

- The 5-Year Plan outlines the Housing Authority's goals for the next five years, and our progress in meeting the goals we set in our last 5-Year Plan.

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### SHA's Five-Year Goals



#### Expand the supply of assisted housing.

- Finance affordable housing
- Develop housing in partnership
- Maintain or increase Voucher utilization
- Promote mixed-income communities.



#### Improve the quality of assisted housing

- Sustainable building practices
- Modernization of units
- Increase number of units with accessibility features
- Implement recycling programs
- Support resident well-being.



#### Increase assisted housing choices.

- Maintain or Increase number of available Vouchers
- Provide local preference to address community needs (survivors of domestic violence, families and individuals experiencing homelessness, and others)
- Develop affordable housing, support partner organizations
- Engage with property owners regarding the Voucher program.

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## SHA's Five-Year Goals



### Promote self-sufficiency and asset development of assisted households.

- Maintain Family Self-Sufficiency program
- Administer Valley Individual Development Accounts
- Apply for special purpose vouchers (such as Family Unification Program and Foster to Youth Independence)
- Seek partnerships for referrals, education, and other opportunities for program participants.



### Ensure equal opportunity and affirmatively further fair housing.

- Comply with and promote federal, state, and local fair housing laws
- Investigate complaints of fair housing violations
- Provide intentional community outreach to market programs and properties.



### Preservation of affordable housing.

- Seek ways to preserve existing housing units with expiring affordability requirements
- Support affordable housing preservation with partners.

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## Progress since the last 5-Year PHA Plan



### Expand the supply of assisted housing

- 87 new affordable housing units added in 2 properties.
- Two (2) new fully accessible units created at an existing SHA property.



### Improve the quality of assisted housing.

- SHA maintained High Performer status with HUD.
- SHA has remodeled and renovated Public Housing units.



### Provide an improved living environment.

- SHA completed more than 5,700 work orders across all of its properties, with an average completion time under 30 days.
- More than 75% of emergency work orders were addressed in less than 24 hours.

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## Progress since the last 5-Year PHA Plan



### Promote self-sufficiency and asset development of assisted households.

SHA employs four (4) full time Family Self-Sufficiency Coordinators to support Voucher and Public Housing program participants in their journeys to self-sufficiency.

SHA administers Valley Individual Development Accounts.



### Ensure equal opportunity and affirmatively further fair housing.

SHA updated its community contacts to expand notification of waiting list openings and closures to nearly 50 service providers and organizations serving Salem / Willamette Valley.

SHA expanded the local publications in which it advertises upcoming housing opportunities to include culturally specific publications.

SHA publishes all notices in English and Spanish.



### Preservation of affordable housing.

SHA rehabilitated several of its properties, including Southfair Apartments, Brush College Village, Meadowlark Village, Northgate Village, and Livingston Village.

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## Moving to Work (MTW)

SHA is in its second year of Moving to Work (MTW) Implementation and will submit its MTW Supplement with the PHA Plan.

The supplement outlines planned initiatives under MTW, including activities to streamline operations, reduce barriers to participating in our programs, free up staff time, and launch a new asset-building program.

There are no changes to our MTW initiatives in the 2024-2025 program year.

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## What is Moving to Work?

- Moving to Work (MTW) is a demonstration program for Public Housing Authorities (PHAs) that allows them the opportunity to design and test innovative, locally designed strategies to:
  - Use funding more efficiently,
  - Help residents find employment and be more self-sufficient, and
  - Increase housing choice for program participants.
- Moving to Work allows housing authorities exemptions from many rules and regulations and provides flexibility in how they use their funds.
- Salem Housing Authority was approved as a MTW agency in September of 2022 in the Asset-Building Cohort.

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### Proposed MTW Initiatives for 2024-2025

**SHA is proposing to continue the same MTW activities to meet HUD's objectives:**

- Reduce cost and achieve greater cost-effectiveness in federal expenditures.
- Give incentives to participants who are working, seeking work, or participating in training/education to obtain employment and move towards self-sufficiency.
- Increase housing choice for program participants.

We also have set an agency goal to promote economic mobility with the Opt-Out Savings Program.

- "Economic mobility" refers to people's ability to improve their economic status over time.
- We have engaged with a banking partner to administer accounts; program launch is expected within the coming months.

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# Alternative Utility Allowance

## Simplified Utility Allowance Schedule

- Based on average expenses for the most common fuel types for heating/cooling, cooking, and water heating in Salem-Keizer.
- Amounts averaged for each type of housing (multifamily/duplexes and single-family homes) and by bedroom size.
  - Fewer numbers to add up to determine the utility allowance for any unit.
  - Figures are rounded to the nearest \$5 increment to make it easier to add the figures.

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## Initial Rent Burden (Voucher Program Only)

### Increased affordability cap to 50% of adjusted monthly income.

- Program participants receive information about the risks of a higher rent burden so they can make an informed choice.
- Example: if a household's adjusted monthly income is \$1,000, their total housing cost could not be more than \$500.

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## Self-Certification of Allowable Deductions

Allow self-certification of these expenses, up to a threshold.

- Up to \$3,500 annually for out of pocket medical/disability expenses.
- Up to \$5,000 annually for unreimbursed childcare costs.
- Participants may provide third-party verification for higher costs.
- SHA reserves the right to verify expenses via third party if needed.

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## Alternative Income Exclusions

HUD regulations require the inclusion of regular non-cash contributions to the household (excluding food or reimbursement for medical expenses).

- In some cases, non-cash contributions to the household result in tenant rent that must be paid, but the household may have no cash income to use to pay rent.
- Puts zero income households at risk of eviction.

SHA excludes contributions to the household that are not cash paid directly to a household member.

- Includes things like bills paid on behalf of a household member (cell phone bill is the most common).
- Self-certification of non-cash contributions will be accepted as verification. SHA may request third party verification if needed.
- **Cash** contributions will still be included in the household's income calculation.

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## Rent Reasonableness Process (Voucher Program Only)

- Market-to-Unit process, using semi-annual market studies conducted by a contracted organization.
- Market study will consider location of the unit (zip code/neighborhood), type of unit (single family or multifamily/duplex), age of unit (pre-1990, post-1990).
- Contract rent will be compared against the market study.
- Staff can use market knowledge on a case-by-case basis (example: if a pre-1990 unit has been renovated and is closer in condition to a post-1990 unit).
- Although approved, this MTW activity has not been fully implemented as SHA is seeking a vendor to provide market studies on a regular basis.

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## Rent Reasonableness and Housing Inspections – Eliminate 3<sup>rd</sup> Party Requirement

- SHA inspects and determine rent reasonableness for its own units.
- A percentage of inspections and rent determinations are subject to quality control review by an outside organization (like a neighboring housing authority).

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## Alternative Re-Examination Schedule

Biennial recertification (every 2 years).

- For almost all households, tenant rent portion would be redetermined every two years.
- Participants can request an adjustment if their income decreases 10% or more between recertifications.
- No requirement to report increases in income (except in some specific circumstances, like a zero-income household).
- SHA applies the current payment standard when the owner requests a rent increase between recertifications, to minimize the impact to the family.

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## Self-Certification of Assets

Households may self-certify the value of assets up to \$50,000.

- Actual asset value will be verified when the household first is admitted to the program.
- SHA reserves the right to verify assets via third party if needed.

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## Limiting Portability for PBV Units

Tenant-Based Voucher may be requested after 24 months of PBV tenancy.

- Participants who leased up prior to January 1, 2024 may request a tenant-based Voucher after 12 months of Project-Based Voucher (PBV) tenancy.
- Participants could request a tenant-based HCV earlier than 24 months if needed as a reasonable accommodation, or if there is a family size change that causes the family to be overcrowded.

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## MTW recap...

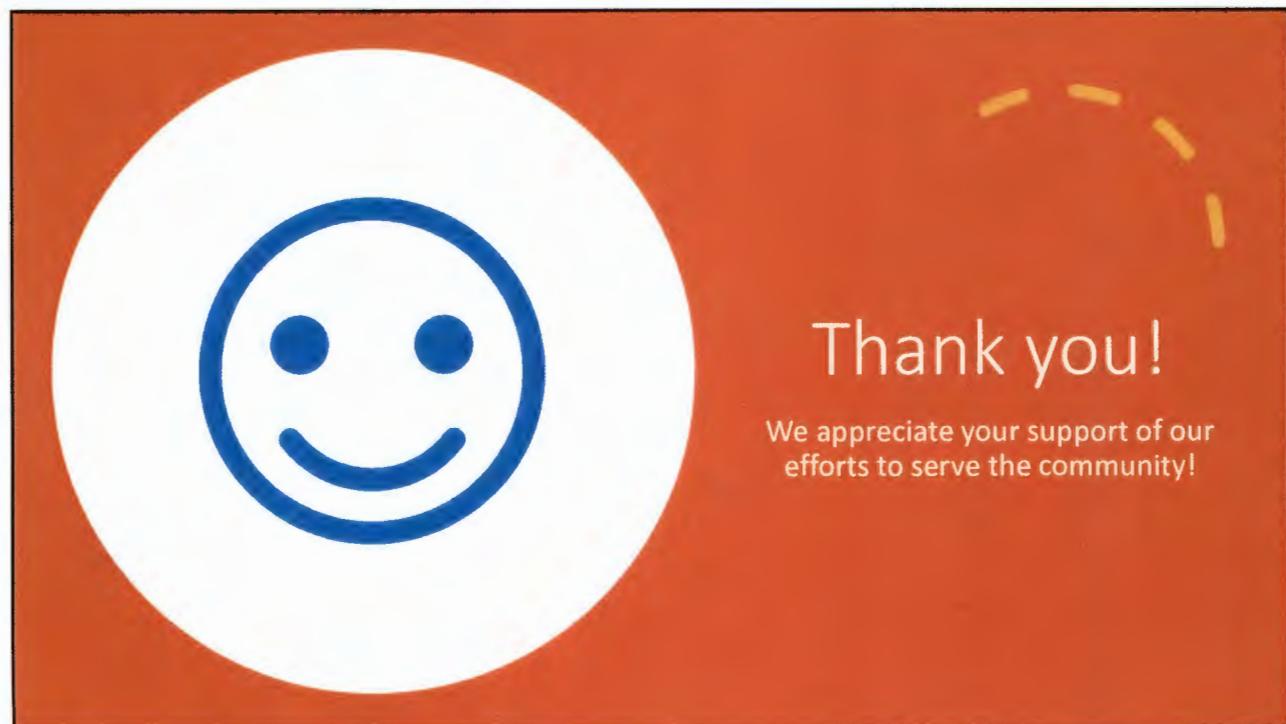
- SHA was approved for the Moving to Work demonstration.
- The 2023-2024 Fiscal Year was our first year to implement MTW initiatives.
- SHA's MTW implementation has reduced or eliminated program requirements to make it easier to work with our programs, free up staff time, and streamline processes.
- To date, no hardship exemptions to our MTW activities have been requested.
- We continue to monitor the effectiveness of our MTW activities and will adjust our implementation as needed to meet participant and program needs.

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## Public Comments and Feedback

- Public Comment period for the Public Housing Agency Plans, Moving to Work Supplement, and Capital Fund Program (CFP) Plan will be accepted until 11:59 pm on July 8, 2023.
  - To date, no comments have been received.
  - Any comments received before the period closes will be submitted to HUD along with the draft plans.
- Resident Advisory Board meeting was held 6/27/2024; no comments were received.

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