



EXHIBIT A
Housing Choice Voucher Administrative Plan
Summary of Changes

The Lake County Housing Authority Housing Choice Voucher Administrative Plan has been significantly modified. Throughout the Plan the following summarized changes have been made. These changes represent updated language, clarifying language and are changes supported and or recommended by our purchased service contract with Nan McKay & Associates [“NMA”], the new NSPIRE Inspection protocol, HUD HOTMA Changes, PIH 2023-27 and staff recommendations.

> > > > **Special Note** < < < <

PHAs are required to fully comply with HOTMA by January 1, 2025, and are required to update their policies by a specific date in 2024 (July 18, 2024). However, PHAs cannot fully comply with the requirements of HOTMA until the IMS/PIC system has transitioned to the new Housing Information Portal (HIP) system later this year, and the PHA’s software vendor has provided updated software.

Throughout this modified Plan, indications of Pre HOTMA and Post HOTMA policy will be noted. LCHA will operate Pre HOTMA until the HUD requirements of HIP and updated software are met and an official cut over date is determined. Once HIP and the software updates are complete, at the cut over date LCHA will operate utilizing the Post HOTMA policies.

- ❖ General grammar, typo corrections and document formatting changes have been made throughout the policy. Upon acceptance of changes, additional minor formatting changes may occur including pagination, footer, and table of contents update.
- ❖ General non policy changing language has been added and or removed to clarify the existing policies and verbiage as recommended by NMA (e.g., added updated language).
- ❖ Regulatory updates have been added or modified to be current with HUD Regulations and PIH Notices.
- ❖ Within the summarized listing below, underlined italics have been used to indicate where LCHA policy changes have been made.

> > > > Summary of Changes < < < <

Chapter 1 – OVERVIEW OF THE PROGRAM

- 1-I.C. PHA Mission – Language for the mission statement made current.

Chapter 2 – FAIR HOUSING AND EQUAL OPPORTUNITY

- 2-I.C. DISCRIMINATION COMPLAINTS – deleted outdated language; added language for complaints under the Equal Access Final Rule and VAWA Complaint Processing.

Chapter 3 - ELIGIBILITY

- INTRODUCTION – added language specific to HOTMA changes.



- 3-I.B. FAMILY AND HOUSEHOLD – added updated language for definition of family.
- 3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY – Updated language specific to VASH vouchers.
- 3-I.F. DEPENDENT AND MINORS – added new definition of minor.
- 3-I.K. FOSTER CHILDREN AND FOSTER ADULTS –updated and added clarifying language for the definition of foster adult and foster child.
- 3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS – U.S. Citizens and Nationals – added *policy* language regarding “receipt of non-accurate information.”
- 3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION – added updated language regarding the HUD-52675 Debts Owed to Public Housing Agencies and Termination form and the non-expiration change along with revocation of consent.
- 3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION – Independent Student – added updated language for definition of independent student and vulnerable youth.
- 3-II.F. EIV SYSTEM SEARCHES – Existing Tenant Search; Debts Owed to PHAs and Termination – added additional supporting language for requirements
- Part III – DENIAL OF ASSISTANCE 3-III.A. OVERVIEW – added clarifying language for denial of assistance.
- 3-III.B. MANDATORY DENIAL OF ASSISTANCE – added in language for failure to consent and family does not meet the restrictions on net assets and real property ownership.
- 3-III.C. RESTRICTIONS ON ASSISTANCE BASED ON ASSETS – added in all the new HOTMA regulatory requirement language.
- 3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE – added in additional language regarding criminal sexual conduct and criminal activity that may threaten the health or safety of property owners, management staff, etc.
- 3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE – Previous Behavior in Assisted Housing – added in language noting PHAs are not permitted to deny assistance to a family because the family previously failed to meet FSS obligations; added language regarding family debts as shown in HUD’s EIV system.
- 3-III.E. SCREENING- added language regarding PHAs ability to use criminal conviction records for admissions screening, they do not have authority to use criminal conviction records to check for criminal and illegal drug activity by participants.
- 3-III.F. CRITERIA FOR DECIDING TO DENY ASSISTANCE – Consideration of Circumstances – additional *policy* language added regarding what PHA may consider.
- 3-III.H. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING – updated language to include human trafficking; updated language for notifications and forms.

Chapter 4 – APPLICATIONS, WAITING LISTS AND TENANT SELECTION

- 4-III.C. SELECTION METHOD – Local Preference – updated *policy* language. Removal of Insufficient Funding and Nursing Home Preference; add Elderly or Disabled preference and increase Veteran Preference to 10 Points. These preferences will be applied after the current waiting list is exhausted.

Chapter 5 – BRIEFINGS AND VOUCHER ISSUANCE

- 5-I.B. BRIEFING – added and updated language on conducting briefing’s including remote briefings and accessibility requirements for persons with Disabilities and Limited English Proficiency.
- 5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE – added clarifying language and persons in household chart.
- 5-II.E. VOUCHER TERM, EXTENSIONS AND SUSPENSIONS – updated *policy* language to change the number of extensions given and not to exceed 180 days of issuance.

Chapter 6 – INCOME AND SUBSIDY DETERMINATIONS – this chapter has been significantly modified to support the HOTMA changes. Due to the significant changes the “track changes” option was not used and should be reviewed in its entirety.

Chapter 7 - VERIFICATION

- 7-1.A. FAMILY CONSENT TO RELEASE OF INFORMATION – new language regarding the new HUD-9886-A, along with *policy* language for failing to consent for release of information.
- 7-I.B. USE OF OTHER PROGRAMS INCOME DETERMINATIONS – new language regarding HUD’s allowance of other program income determinations and new *policy* language allowing LCHA to use other program income determinations.
- 7-I.C. STREAMLINED INCOME DETERMINATIONS – new language regarding HUD’s allowance of streamlined income determinations and new *policy* language, including safe harbor.
- 7-I.D. – I. VERIFICATION HIERARCHY – New and updated HOTMA language for use of EIV, UIV and other levels of income verification.
- 7-II.B. SOCIAL SECURITY NUMBERS – updated language for self-certification of social security number verification and updated *policy* language on documentation that is acceptable as evidence.
- PART III: VERIFYING INCOME AND ASSETS – updated *policy* language regarding safe harbor income determination.
- 7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME – clarifying language for self-employment reporting.
- 7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS – Social Security/SSI Benefits – updated language on social security verification and use of EIV.
- 7-III.D. ALIMONY OR CHILD SUPPORT – updated language.
- 7-III.E. NONRECURRING INCOME – updated language on nonrecurring income and self-certification.
- 7-III.F. ASSETS AND INCOME FROM ASSETS – Net Family Assets – updated HOTMA language regarding verification and self-certification assets totaling \$50,000 or less; updated language for self-certification of real property ownership.
- 7-III.G. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE – updated language and updated *policy* language allowing self-certification.
- 7-III.I. FEDERAL TAX REFUND OR REFUNDABLE TAX CREDITS – updated language
- 7-III.J. RETIREMENT ACCOUNTS – updated *policy* language.
- 7-III.K. INCOME FROM EXCLUDED SOURCES – updated HOTMA language.
- 7-III.L. ZERO ANNUAL INCOME STATUS REVIEWS – updated clarifying language.

- 7-III.M. STUDENT FINANCIAL ASSISTANCE – updated HOTMA language distinguishing between two categories of student financial assistance paid to both full-time and part-time students.
- 7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION – updated HOTMA language; updated policy language on amount of expense, expenses incurred in past years.
- 7-IV.C. DISABILITY ASSISTANCE EXPENSE – updated policy language on verification of disability assistance expense.

Chapter 8 – NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REALESTATE AND RENT REASONABLNESS DETERMINATIONS - this chapter has been significantly modified to support the NSPIRE changes. Due to the significant changes the “track changes” option was not used and should be reviewed in its entirety.

Chapter 9 – GENERAL LEASING POLICIES

- 9-I.G. HAP CONTRACT EXECUTION – updated language for VAWA notification.

Chapter 10 – MOVING WITH CONTINUED ASSISTNCE AND PORTABILITY

- 10-I.A. ALLOWABLE MOVES – updated policy language for VAWA.
- 10-I.C. MOVING PROCESS – Zero HAP Families Who Wish to Move – updated policy language that states LCHA will not enter into a HAP contract where no subsidy will be paid.
- PART II: PORTABILITY - 10-II.A. OVERVIEW – added additional clarifying language.
- 10-II.B. INITIAL PHA ROLE – added updated language throughout the entire section.
 - Voucher Extensions and Expiration – modified policy language to include three circumstances where extensions will be granted.
- 10-II.C. RECEIVING PHA ROLE – added updated language throughout the entire section.

Chapter 11 – REEXAMINATIONS – added significant new HOTMA language, including a new Part IV: Non-Interim Reexamination Transactions. New policies were included with the new HOTMA rules.

- 11-I.C. CONDUCTING ANNUAL REEXAMINATIONS – added new language and policy regarding sex offender registration review.

Chapter 12 – TERMINATION OF ASSISTANCE AND TENANCY

- 12-I.E. MANDATORY POLICIES AND OTHER AUTHROIZED TERMINATIONS – Use of Illegal Drugs and Alcohol Abuse – added recommended policy language regarding “record of arrests” not being used as the sole basis for proof a participant engaged in criminal activity.
- 12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE – Use of Criminal Conviction Records After Admission – added new language regarding use of conviction records.
- 12-II.E. TERMINATION RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING OR HUMAN TRAFFICKING – updated the mandatory VAWA language and added clarifying language.

Chapter 13 - OWNERS

- 13-I.D. OWNER QUALIFICATIONS – updated language for “covered indivual” and immediate family member.

- Legal Ownership of Unit – modified *policy* language to remove “landlord certification” and in place use “acceptable documentation”
- 13-II.G. FORCLOSURE – added updated language and recommended *policy*.

Chapter 14 – PROGRAM INTEGRITY

- 14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE – added updated language and recommended *policy* language for De Minimis Errors.

Chapter 15 – SPECIAL HOUSING TYPES – LCHA does not permit special housing types unless as a reasonable accommodation, however due to guidance and regulatory changes, updated language was added.

Chapter 16 – PROGRAM ADMINISTRATION

- 16-II.B. PAYMENT STANDARDS – Updating Payment Standards – updated the *policy* language to be more neutral “effective dates will be determined at the time of update” as opposed to specific dates “effective January 1st for November 1st”.
 - Exception Payment Standards – updated the language to include the SAFMR information and Unit by Unit Exception to support reasonable accommodations of 120% of the FMR.
- 16-II.C. UTILITY ALLOWANCES – Reasonable Accommodation and Individual Relief – updated the language
- PART III: INFORMAL REVIEWS AND HEARINGS – added new language throughout the chapter for remote reviews and hearings and accessibility requirements.
- 16-IV.A. OVERVIEW – added updated language regarding owner and family debts to the PHA.
- 16-IV.B. REPAYMENT POLICY – general updated language throughout
 - Family Debts to LCHA – added updated language.
 - Refusal to Enter into an Agreement – added updated language.
 - Due Date – clarifying *policy* language
- 16-VI.B. RECORD RETENTION – added updated language for record retention and added language regarding VAWA documentation.
- 16-VII.B. REPORTING REQUIREMENT – added updated language regarding elevated blood levels and lead based paint.
- 16-VIII.A. OVERVIEW – added updated language regarding insufficient funding.
- 16-IX.A. OVERVIEW – added and modified VAWA language and HUD references.

Chapter 17 – PROJECT BASED VOUCHERS

- 17-I.A. OVERVIEW – Additional Project-Based Units – added updated language.
- 17-II.B. OWNER PROPOSAL SELECTION PROCEDURES – Units Selected Non-Competitively – added updated language
- 17-II.E. SUBSIDY LAYERING REQUIREMENTS – added updated language.
- 17-II.F. Exceptions to 25 Percent per Project Cap – added general updated language including additional information on Supportive Services.
 - Projects not Subject to a Project Cap – added language and need *policy* language confirmation.

- Promoting Partially Assisted Projects – added language and need policy language confirmation.
- 17-III.D. INSPECTING UNITS – Pre-HAP Contract Inspections – added language and need policy language confirmation.
 - Alternative Inspections - added language and need policy language confirmation.
- 17-V.B. HAP CONTRACT REQUIREMENTS – Term of HAP Contract – need policy language confirmation on change from 15 years to 20 years.
 - Statutory Notice Requirements: Contract Termination or Expiration – added updated language.
- 17-V.C. AMENDMENTS TO THE HAP CONTRACT – Addition of Contract Units – added additional language.
- 17-V.F. ADDITIONAL HAP REQUIREMENTS – Vacancy Payments – need policy language change confirmation. LCHA previously DID NOT offer vacancy payments as allowable under the regulation. This change would allow LCHA on a case-by-case basis to provide vacancy payments.
- 17-VI.C. ORGANIZATION OF THE WAITING LIST – need policy language change confirmation. Remove the detailed listing of PBV Units.
 - Preferences – updated the language.
- 17-VII.C. MOVES – Emergency Transfer under VAWA – added language.
- 17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP – added updated language.
- 17-VIII.B. RENT LIMITS – Use of Small Area FMRs – added language, need policy language confirmation of PBV's not using SMFRs.
- 17-IX.B. VACANCY PAYMENTS – Similar to 17-V.F. ADDITIONAL HAP REQUIREMENTS - need policy language change confirmation. LCHA previously DID NOT offer vacancy payments as allowable under the regulation. This change would allow LCHA on a case-by-case basis to provide vacancy payments.
- 17-XI.C. TENANT RENT TO OWNER – Utility Reimbursements - need policy language change confirmation that we make payments to the utility company as apposed to KeyBank Card and it goes to the tenant.

Chapter 18 – FAMILY SELF SUFFICIENCY – No changes

Chapter 19 – SPECIAL PURPOSE VOUCHERS – This is a new chapter to support our special program vouchers and removes them from Chapter 4 Special Admissions. This should be reviewed in its entirety.

Chapter 20 – EMERGENCY HOUSING VOUCHERS – This is a new chapter that incorporates the EHV program and removes them from Chapter 4 Special Admissions. This should be reviewed in its entirety.

Pre HOTMA Detail of what will/will not be implemented

Our agency cannot implement the income and asset requirements in Sections 102 and 104 of HOTMA without having access to the revised HUD-50058 in HIP. For now, PHAs must continue to report HUD-50058 transactions to IMS/PIC until instructed to do otherwise.

Industry experts encourage PHAs to implement the following specific provisions of HOTMA that do not require HIP, described below. Some are requirements and others are options PHAs can exercise irrespective of HIP:

- PHAs **must not** enroll families into the Earned Income Disregard (EID).
- PHAs **may** now implement the “Safe Harbor” income verification option of the HOTMA final rule.
- PHAs **may** begin using the new HUD-9886-A Authorization for the Release of Information/Privacy Act Notice.
- Verifications streamlining that allows PHAs to: accept third-party documents dated within 120 days of receipt, use an award letter from the appropriate year for benefits that are set annually, and use a self-certification of SSN.

DRAFT