HCV SEMAP TRAINING: Module 3: Intake and Eligibility

Slide 1: Title Slide Welcome back! This is Module 3 of the training series focused on the Section 8 Management Assessment Program, also known as SEMAP, for the U.S. Department of Housing and Urban Development, HUD.

Slide 2: List of Modules The purpose of this training is to provide an overview of SEMAP and key information to help PHAs effectively manage their Housing Choice Voucher program for SEMAP success.

Each module of this training is self-paced and can be started or stopped at any time.

In the remaining modules we will be discussing each indicator in greater depth and providing key information to add to your PHA toolkit to manage your HCV program for SEMAP success.

Slide 3: Managing Intake: SEMAP Indicators 1 and 13. Module 3 will provide a closer look at Indicators 1 and 13 which are related to managing intake.

Slide 4: HUD 2-year Tool: Maximizing Leasing (Indicator 13) HUD's two-year tool can help PHA staff maximize leasing through planning. The tool will help PHAs analyze, reconcile and assess leasing numbers regularly and throughout the year by tracking all the factors and metrics that impact leasing.

You can use the two-year tool to pull VMS data and manipulate different scenarios in order to achieve the maximum number of SEMAP points.

You can develop leasing strategies in accordance with the highest possible SEMAP outcomes.

Slide 5: Determining the Voucher Utilization Rate (Indicator 13). The voucher utilization rate indicates the percentage of HCV units that are leased OR the budget authority expended during the last completed calendar year.

When determining the voucher utilization rate for SEMAP, HUD will calculate both rates and use the rate that results in the highest lease up utilization percentage.

Slide 6: Determining the Voucher Utilization Rate (Indicator 13). In order to determine the utilization rate using the Percent of Units Leased method, take the total number of unit months leased during the calendar year and divide that number by the number of unit months available based on the baseline number of units available at the beginning of the calendar year.

To calculate utilization via the Percent of Budget Authority Expended Method, take the total amount of budget authority expended during the calendar year and divide by the budget authority authorized at the beginning of the calendar year.

Slide 7: Determining the Voucher Utilization Rate (Indicator 13). When determining the utilization rate, litigation units and funding, new unit/funding increments and VASH units should be excluded from calculations.

However, PBVs and homeownership units ARE included in this indicator.

Slide 8: Selection from the Waiting List (Indicator 1). Each PHA must outline in its Administrative Plan how it will place families on the waiting list and in what order they will be selected from the waiting list.

PHAs may choose to list families in order of the date and time in which they applied or choose a random method of selection such as a lottery.

Additionally, PHAs may choose to add preferences to the selection of families from the waiting list or simply choose them on a first-come, first-served basis.

Selection could also include the selection rules of a specific voucher funding source. For instance, VASH program participants are selected from referrals from the VA.

Other programs with their own selection criteria include the Family Unification, Mainstream and Non-Elderly Disabled Voucher Programs.

Slide 9: Waiting Lists Preferences (Indicator 1). Waiting List preferences allow some families a priority spot on the waitlist. Some common waiting list preferences include:

- Families displaced by a government action or a natural disaster
- those with individual emergencies and
- victims of domestic violence.

Any preference the PHA establishes must not violate fair housing and equal opportunity laws.

While these preferences affect the order in which a family is selected from the Waiting List, they do not determine eligibility.

If a family is selected from the waiting list early because of a claimed preference and is then determined to not qualify for that preference, they will be returned to the waiting list at the position they would have held if they had not claimed the preference.

Slide 10: Income Limits (Indicator 1). HUD establishes income limits by family size for the area in which each PHA is located. These income limits are used to determine the family's eligibility for the program at the time of admission.

Annual income is not compared to the income limits after the family's initial admission to the program.

HUD publishes the income limits by counties and metropolitan areas.

There are three Income limit schedules.

- Low Income Limit (LI): 80% of the AMI
- Very low Income Limit (VLI): 50% of the AMI
- Extremely low Income Limit (ELI): 30% of the AMI

To be eligible for the program, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live.

Slide 11: Income Targeting (Indicator 1). The Extremely Low Income limit, also known as ELI, is used only for income targeting; it is never used for eligibility determination.

HUD requires PHAs to make sure that at least 75% of the families admitted to the HCV program have incomes that do not exceed the Extremely Low Income Limit.

A PHA may not skip over an ELI household that has reached the top of the waiting list.

The 75% requirement is for the combined HCV and Project-Based Housing Choice Voucher or PBV programs administered by a PHA. Most programs meet this threshold without difficulty. When a PHA is unable to meet this requirement, HUD allows certain exceptions.

A PHA may admit less than 75% of families meeting the ELI limit if:

- The PHA has opened its Waiting List for a reasonable period of time
- The PHA provided appropriate notices and outreach to attract ELI households
- There are not enough ELI households to meet the 75% requirement
- Admitting more Very Low Income households addresses the worst case housing needs for their area.

Slide 12: Indicator 1 – Tool Box. To be prepared for success for indicator 1, PHAs should ensure they have the following items ready:

- Selection from the waiting list
- Waiting list at Fiscal Year End
- Waiting list pulls for the fiscal year and
- New admissions for the fiscal year

Along with this information, PHAs should be prepared for a QC review of

- Original Application
- Waiting List Selection Notice
- Waiting List Eligibility
- Voucher and HAP Contract
- Waiting List Denial Notice

Slide 13: Determining Eligibility/Continued Eligibility. Next we will be discussing indicators 3 and 10 related to determining eligibility and continued eligibility

Slide 14: Definition of Annual Income. PHAs are required annually to recertify participants' income. The annual family income used in calculations is an adjusted income including deductions of certain costs and may include certain types of exclusions.

Slide 15: Income Inclusions. When calculating family income, three types of incomes are included in the calculation:

Unearned income, which includes regular periodic benefits like social security, pensions, and disability benefits. Other unearned income includes unemployment, welfare assistance, and alimony and child support.

Next are earned sources of incomes such as wages, self-employment and military pay.

And last, income from assets, such as income earned from accrued savings. This last category is the least commonly applicable to the HCV population.

Slide 16: Income Exclusions. Here are the most common types of income that are excluded from calculations:

- earnings of household members under the age of 18
- payments for foster care
- live-in aide earnings, as the live-in aide is not considered a household member,
- training stipends,
- adoption assistance and
- any other type of income that is considered federally excluded.

Slide 17: Assets. PHAs must verify household assets on an annual basis.

Only assets in excess of $5,000 will be counted towards income.

Specialists will use the current passbook savings rate to calculate earnings from assets over $5,000.

Slide 18: Expenses . Households can also deduct certain categories of expenses from their gross income in order to obtain the adjusted annual income figure that is then used to calculate tenant rent.

Eligible exclusions include unreimbursed medical expenses in excess of 3% of gross annual income, unreimbursed childcare expenses.

This childcare must be used to enable a family member to work or pursue higher education.

Also eligible for deduction are unreimbursed attendant care and auxiliary apparatus expenses for disabled family members.

Slide 19: Indicator 3 Tool Box. The Indicator 3 Tool Box includes ensuring your PHA has the following at the ready for fiscal year end

- Administrative Plan Provision - Verifications
- Listing of Assisted Families
- Utility Allowance Schedule and Payment Standard Schedule – Current & Prior FY
- File Review Checklist (each file)

Slide 20: End of Module. This ends Module 3.